Doing Business in Taiwan: 2015 Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Taiwan

Market Overview Return to top

With a population of 23 million, Taiwan is a thriving democracy, vibrant market economy, and a highly attractive export market, especially for U.S. firms. In 2014, Taiwan was ranked as the United States' 10th-largest trading partner in goods, placing it ahead of markets such as India and Italy. It was also the 14th-largest U.S. export market overall and the seventh-largest export market for agricultural products. The sixth largest source of foreign students pursuing higher education in the United States during 2014 was Taiwan.

Taiwan was the world's fifth-largest holder of foreign exchange reserves as of December 2014, with holdings of US$419.0 billion. In 2014, the Taiwan economy registered 3.74% GDP growth. Slightly stronger growth of 3.78% is forecast in 2015. Unemployment has decreased to 3.96%.

In 2014, Taiwan exports to emerging markets, especially in East Asia, will continue to increase while exports to advanced economies are expected to remain flat. Local private consumption has remained flat due to stagnant or declining wages. Real estate sales in several areas, especially the southern city of Kaohsiung, are showing significant growth. Improved economic ties with mainland China are expected to ease current cross-Strait and investment restrictions and encourage more foreign investments in Taiwan.

According to the Bureau of Foreign Trade, Ministry of Economic Affairs, in 2014 total Taiwan exports increased by 2.7% to US$313.7 billion and imports increased by 1.53% to US$274.0 billion. Mainland China (including Hong Kong) is Taiwan's largest trading partner, accounting for 26.7% of total trade and 18.1% of Taiwan's imports in 2014. The United States is Taiwan's second largest trading partner, accounting for 10.6% of total trade, including 10% of Taiwan's imports. Taiwan ran a trade surplus with the United States of US$7.4 billion in 2014, an increase US$80 million from the previous year. Japan follows with 10.48% of total trade, including 15.21% of Taiwan's imports.

Market Challenges

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Taiwan is a sophisticated consumer market in which consumers are plugged into global consumer trends. U.S. products are well represented in the market, as are products from across the region, especially mainland China and other lower-cost producers. Taiwan is a good target market for high-quality, differentiated products and commodity items.

Taiwan is a price-sensitive market, and foreign goods must conform to certain local standards and labeling regulations required for importing products into this market. A local agent or distributor should be able to assist with obtaining the necessary certifications and permits required for importation.

While the intellectual property rights regime has significantly improved in most areas, for many years American firms have expressed concerns about the protection of intellectual property rights (IP). In particular, IP holders remain apprehensive about the following issues: infringement of copyrighted material on the internet; illegal textbook copying on and around university campuses; and inadequate protection for the packaging, configuration, and outward appearance of products (trade dress). The Taiwan authorities recently passed an improved trade secrets law which addresses an industry call to strengthen penalties for the theft of trade secrets. Taiwan authorities have outlined plans to devote necessary resources to strengthen IP enforcement and recognized the need for further engagement on intellectual property protection, including in the challenging but critical area of online piracy.

Market Opportunities

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On November 1, 2012, Taiwan became the 37th economy to enter the U.S. Visa Waiver (VWP) program. U.S. VWP enables Taiwan leisure and business travelers to enter the United States for up to 90 days without a visa once they have received authorization though the Electronic System for Travel Authorization (ESTA). U.S. VWP has substantially increased bilateral goodwill between the United States and Taiwan, and statistics from the Department of Commerce's Office of Tourism and Travel Industries (OTTI) showed a 7.4% growth in travelers from Taiwan in 2014 over 2013.

In April 2014, during the meeting of the US-Taiwan Trade and Investment Framework Agreement (TIFA), U.S. and Taiwan experts agreed to continue fully utilizing the Investment and the Technical Barriers to Trade Working Groups launched in 2013 and build on recent positive steps being taken by Taiwan to clarify investment criteria, lift data localization requirements in the financial sector, and revise standards and multi-pack labeling requirements. The two sides held in-depth discussions on a range of long-standing agricultural trade issues and agreed on the importance of making meaningful progress on these issues in order to deepen their overall trade ties.

Taiwan passed an amendment to the Trade Secrets Act in 2013 that closes loopholes on the definition of trade secrets and increases criminal penalties for those who steal trade secrets. Taiwan authorities took further concrete steps in the months following the 2013 TIFA to improve trade secrets protection. These developments reflected Taiwan's continued attention to the importance of intellectual property protection for maintaining economic development and competitiveness.

Taiwan's accession to the World Trade Organization (WTO) in 2002 and the WTO Government Procurement Agreement in 2009 led to the further dismantling of non-tariff barriers and a general lowering of the remaining tariffs. These actions further enhanced U.S. opportunities in this market including exports of high-value-added components and other inputs for high-tech manufacturing such as petrochemical products, electronic production, and test equipment. Accession to the WTO has also enhanced opportunities for food and agricultural products and "American lifestyle" goods and services sought by Taiwan's affluent population including luxury consumer goods and healthcare products.

Taiwan's imports are dominated by raw materials and capital goods, which account for the vast majority of total imports. The best prospects for U.S. exports include a wide variety of electronic, optical and precision instruments, chemicals, information and communications products, transportation equipment, machinery, and electrical products. Since Taiwan has few natural resources and relies on imports to meet its energy needs, coal, oil and gas are increasingly presenting good export opportunities for American companies. Taiwan's high-tech sector relies heavily on technology licenses and imports of specialty components from the United States.

Market Entry Strategy

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Most new-to-market exporters entering Taiwan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents are the most common partnerships used by foreign firms to gain their initial foothold in Taiwan. The vast majority of Taiwan firms are small- and medium-sized enterprises (SMEs). They are active in trading and manufacturing and offer a large pool of prospective trade partners that can capably represent U.S. companies in Taiwan.

Taiwan's banking and international remittance systems are well developed, and there are no foreign exchange regulations that would significantly hamper a U.S. exporter from receiving payment for goods shipped and services provided. Irrevocable letters of credit are widely used and "L/Cs" from leading Taiwan financial institutions are usually confirmed by U.S. banks.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/35855.htm

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Chapter 3: Selling U.S. Products and Services

Using an Agent or Distributor

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Most foreign firms gain their initial foothold in the Taiwan market by appointing a local agent. Many Taiwan firms prefer the partnering aspect of an agent relationship. Taiwan firms are well known for their trading prowess. If the size of the market warrants, companies may also consider setting up a branch office or subsidiary in Taiwan. Taiwan welcomes foreign investment, and although procedures are sometimes bureaucratic, establishing an office in Taiwan is relatively easy.

The American Institute in Taiwan's (AIT) Commercial Section provides a number of services to help U.S. firms, large and small, export their goods and services to Taiwan. Through our office in Taipei (covering northern and central Taiwan) and a branch office in Kaohsiung (covering southern Taiwan), we offer a variety of resources and services that include business matchmaking services, product launches, market research, agent distributor searches, commercial advocacy, trade missions, trade shows, and due diligence checks on potential business partners to assist U.S. companies to enter the Taiwan market. AIT Commercial Section contact details are: Tel: 886-2-2720-1550, Fax: 886-2-2757-7162, Email office.taipei@trade.gov Information is also available at: http://www.export.gov/taiwan

The first step is to identify the most appropriate AIT Commercial Section service, and a local U.S. Department of Commerce office, called a U.S. Export Assistance Center, can be of assistance. A comprehensive list of U.S. Export Assistance Centers (USEAC) located across the United States can be found at: http://export.gov/usoffices/index.asp

These offices can help U.S. exporters determine which international markets are suitable for their products and services, and which AIT Commercial Section services are the best fit for the U.S. exporter.

Establishing an Office

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Establishing a subsidiary, branch, or representative office in Taiwan is relatively simple and straightforward. However, there are a number of structures and issues to consider, and an array of forms and procedures to complete. In addition, a Chinese company name is required. Consultations with reputable local attorneys and accountants are strongly recommended in order to identify the key industry issues relevant to each individual business and complete all of the necessary steps for establishing a new entity.

The Ministry of Economic Affairs (MOEA) website has information on investing and setting up a company in Taiwan. Please visit: http://www.moea.gov.tw/Mns/english/home/English.aspx and http://www.moeaic.gov.tw/.

(click on “English” in the far right corner of the home page)

The AIT Commercial Section maintains an online listing of local professional service providers, including local attorneys, accountants, consultants, and other professionals. The listing can be found at: http://export.gov/taiwan/businessserviceproviders/index.asp.

Franchising

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Franchise operations in Taiwan are popular for fast food restaurants, casual restaurants, convenience stores, health and drug stores, spa services, organic products stores, language schools, hair salons, real estate brokerage services, apparel stores, shoe stores, and sporting goods. In recent years, Taiwan's investors have become more conservative in adopting new foreign franchises, primarily due to the high capital investment required by foreign franchise operators and increasing competition from local franchises. In order to succeed in the Taiwan market, well known U.S. franchises should provide considerable support to their local partners, including best practices, systems integration, personnel and customer service training, and consistency in product quality. Nevertheless, several well-known American franchised brands have opened in Taiwan over the last year, with several more under negotiation.

A variety of franchise arrangements exist in Taiwan, ranging from shared joint venture partnerships to a model in which stores are managed and operated by a master franchisee or a regionally based conglomerate. Currently, there are no specific laws that regulate franchising in Taiwan. Franchise agreements are generally subject to the Civil Code with some franchise activities regulated by the Fair Trade Law. The laws, regulations, and practices concerning the intellectual property aspects of international franchising are the same as those of Taiwan domestic franchising regardless of whether the transaction involves a foreign entity or is a purely domestic arrangement.

Successful franchisors in Taiwan usually use a reliable professional service provider, such as an attorney and/or accountant, for advice on the structure and implementation of a franchising agreement.

Direct Marketing
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Multi-level marketing has become a popular second job for many professionals in Taiwan and the sales revenue per sales person ranked fourth in the world. Recent figures indicate that more than 2.76 million people out of a total population of about 23 million people work for multi-level sales businesses in Taiwan. These businesses specialize in healthcare, skin care products, and household items.

Joint Ventures/Licensing
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Foreign investors who wish to establish new enterprises in Taiwan through joint venture activities or by furnishing technical know-how, trademarks, patent rights, or other management services to a locally incorporated business enterprise must file an application for approval by the Investment Commission (IC) of the Ministry of Economic Affairs (MOEA). The IC should issue a decision within two months of receiving a completed application. Capital should not be remitted for joint-venture investment until approvals are first obtained. Information regarding regulations for approval and consideration of foreign investment or technical cooperation is available at IC's website: http://www.moeaic.gov.tw

(click on "English" in the far right corner of the home page).

Selling to the Government
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Taiwan acceded to the World Trade Organization's (WTO) Government Procurement Agreement (GPA) in July 2009. According to Taiwan's GPA Agreement, U.S. firms will now compete on equal terms with domestic firms when government tenders for entities covered under the agreement meet or exceed the following threshold values:

- Public contracts valued at over US$194,000 for goods and services and approximately US$7.45 million for construction services.
- State-level government contracts valued at over US$296,000 for goods and services and approximately US$22.2 million for construction services during the first year after the agreement goes into effect. The construction services threshold will drop to US$7.45 million after the third year the agreement is in effect and will remain at this level.
- Government-controlled entities such as utilities and universities/colleges with contracts for goods and services valued at US$593,000 and construction services valued at US$22.2 million for the first year. The construction services threshold will drop to US$7.45 million after the third year the Agreement is in effect and will remain at this level.

According to Taiwan's Public Construction Commission, in 2014, foreign firms won 417 contracts under GPA worth a total of US$1.1 billion. U.S. firms won 179 contracts with a total value of US$276 million. Most of the procuring entities were public agencies and state owned enterprises, hospitals, and universities. Advanced laboratory instrumentation & testing devices, equipment for power generation & environmental controls, specialty chemicals such as additives and catalysts, equipment for aviation controls, equipment for atmospheric monitoring, and advanced medical devices can be considered best prospect areas for U.S. firms that are interested in selling to Taiwan.

In response to foreign companies' concerns about maintaining fairness in contractual obligations, Taiwan's Public Construction Commission has prepared a model contract template as a reference for government procuring entities. The conditions in this model contract are the same to all bidders - domestic or foreign.

U.S. exporters are encouraged to visit the Commercial Service Taiwan's GPA website: http://export.gov/taiwan/taiwangpaopportunitiesforu.s.exporters/index.asp

Distribution and Sales Channels

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The most common distribution route in Taiwan moves products from suppliers to distributors, from distributors to retailers, and then from retailers to consumers. Some suppliers shorten distribution channels by distributing products directly through retailers. Multi-level marketing is accepted in Taiwan and some direct-selling organizations are well established here. Foreign firms, especially small- and medium-sized companies, generally rely on agents to sell their merchandise to distributors. However, for certain products such as apparel, the distribution channels tend to be more complex.

Taiwan has four major ports: Kaohsiung, Keelung, Taichung, and Hualien. These ports also serve as the island's major distribution centers.

Selling Factors/Techniques

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The most important consideration for the majority of Taiwan buyers is price, which is also the most common complaint regarding U.S. goods. American businesses are frequently frustrated that Taiwan firms do not always factor in life-cycle costs when negotiating a purchase. Although attitudes are changing, most Taiwan firms will only pay a higher price for a product if they see a near-term payoff. The second- and third-most-important considerations for Taiwan buyers are quality and after-sales service, respectively.

Labeling and instructions and/or sales literature in Chinese, with traditional Chinese characters, are required when selling products in the Taiwan market. Detailed information about labeling is available in Chapter 7 of this report.

Electronic Commerce

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Online and TV shopping have become popular retail sales channels in Taiwan. Business to consumer (B2C) online shopping is expanding robustly, and reached US$13.8 billion in 2014, 16.9% more than 2013. B2C business continues to account for the largest proportion of direct marketing sales. Young people aged 20-39 are the main customers for online shopping.

Trade Promotion and Advertising Return to top

Taiwan businesses are active in the global marketplace. They read trade journals from the United States, Europe, and Japan, participate in major international trade events, and are well aware of current trends in their industries. There are local trade shows for most major industries, and the Taiwan External Trade Development Council (TAITRA) is either the organizer or co-organizer for many of these shows, primarily in conjunction with relevant industry associations.

A local partner can give the best advice on where and how to advertise, but participation in major trade shows and advertisements in relevant Taiwan trade journals and industry newspapers are critical to boost sales in the market.

Information on trade shows in Taiwan is available on TAITRA's website at http://www.taiwantrade.com.tw. TAITRA also offers several lists, including a frequently updated calendar for international conferences and trade exhibitions held at the Taipei World Trade Center and Nangang Exhibition Center. TAITRA-sponsored trade shows can be found at http://www.taipeitradeshows.com.tw. Most trade exhibitions in Taiwan are export-oriented, and many include a significant number of foreign exhibitors.

U.S. companies that do not have representatives or agents in Taiwan may want to target professional journals and magazines. The following are some of Taiwan's major industry/commercial newspapers and business publications with their respective websites:

- Commercial Times: http://news.chinatimes.com
- Economic Daily News: http://www.udngroup.com/UDNENGLISH/edn.htm
- Business Weekly: http://www.businessweekly.com.tw
- Commonwealth: http://english.cw.com.tw/front.do?action=index
- Management Magazine: http://www.managementmagazine.com.tw
- Director of Taiwan: http://www.taiwannews.com.tw

Taiwan's advertising sector is comparable to that of other developed economies and covers a wide range of media. The Cable, Radio and Television Act governs television advertising. All commercials must be pre-approved by the relevant official department(s). Reference to associated laws and other official departments is also necessary to understand the full picture with regard to the Do's and Don'ts in the Taiwan market, particularly with regard to the protection of children and women. The duration of advertisements shall not exceed one-sixth of the total transmission time of each program. There are some restrictions to advertising, especially for alcohol and tobacco commercials on television and radio.

AIT's Commercial Section offers the Featured U.S. Exporters (FUSE), Business Service Provider (BSP), and Single Company Promotion (SCP) services to help U.S. companies promote their products and services in Taiwan. AIT's Commercial Section organizes U.S. Pavilions in a variety of industry shows in Taiwan and promotes several conferences in Taiwan recruiting U.S. company participants. AIT's Commercial Section also recruits and leads Taiwan buyer delegations to major U.S. trade shows under the auspices of the U.S. Department of Commerce's International Buyer Program. With this program, Taiwan buyers are introduced to U.S. exhibitors at these shows in the United States. For further details, please see the AIT Commercial Section website: http://export.gov/taiwan.

Pricing

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Branding is an important factor in developing a pricing strategy, especially in the consumer goods sector. Generally speaking, price margins at the distributor level for international brands are lower than for local or regional brands. Distributor price margins average between 15% and 40%, depending on whether the distributor controls the marketing. Price breaks and discounts for large-volume purchases are commonly offered.

A 5% value-added tax (VAT) of the sales amount is imposed on nearly all products and services sold in Taiwan. Imports are subject to VAT calculated on the landed price, including duties and commodity taxes on certain products. Products including rubber tires, cement, non-alcoholic beverages, oil and gas, certain electrical appliances, flat glass, and motor vehicles are subject to commodity taxes that range from 8% to 50% ad valorem or other specific basis. In addition to customs duties, all imports are assessed a commercial harbor service charge, which is based on cargo weight and net ship tonnage.

Sales Service/Customer Support

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Taiwan's buyers, especially purchasing commercial and industrial products, consider many factors when making purchase decisions. These factors include technical support, after-sales service, product performance, durability, software availability, and overall commitment. However, U.S. firms should understand that price is often the most important element.

Protecting Your Intellectual Property

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Several general principles are important for effective management of intellectual property (IP) rights in Taiwan. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Taiwan than in the United States. Third, rights must be registered and enforced in Taiwan, under local laws. Your U.S. trademark and patent registrations will not protect you in Taiwan. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Taiwan market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. Government generally cannot enforce rights for private individuals in Taiwan. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Taiwan law. AIT's Commercial Section can provide a list of local lawyers upon request.

For more information, please refer to Chapter 6 of this report and the IPR toolkit on the AIT website at: http://www.ait.org.tw/en/ipr-toolkit.html

While the American Institute in Taiwan (AIT) stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that AIT can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should AIT advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Taiwan require constant attention. Work with legal counsel familiar with Taiwan laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small- and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Taiwan or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit www.STOPfakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit http://www.uspto.gov/.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**, or visit http://www.copyright.gov/.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the STOPfakes website at http://www.stopfakes.gov/resources.

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.stopfakes.gov/businesss-tools/country-ipr-toolkits. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contains contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

Due Diligence Return to top

Prior to entering into a relationship with an unknown Taiwan company, a U.S. firm would be wise to confirm the reputation of the company. However, Taiwan's privacy laws often make it difficult to collect background information on individuals.

Local attorneys, accountants and trade/industry associations can be excellent sources of information.

The AIT Commercial Section offers the International Company Profile (ICP) service to help U.S. firms with due diligence in Taiwan. For further details, please visit http://export.gov/taiwan/servicesforu.s.companies/index.asp.

Local Professional Services Return to top

Taiwan has a comprehensive modern legal system and respectable number of well-regarded local and international law firms and legal consultants. Many Taiwan attorneys active in international business have studied law in the United States, speak English, and understand the concerns of U.S. businesses. Consultations with a competent local attorney prior to engaging in business in the Taiwan market are highly recommended.

Likewise, major U.S. and global accounting firms and insurance companies have active offices in Taiwan. Any U.S. firms interested in entering the Taiwan market should make a point of meeting with these professional advisors. They can they provide advice on their specific areas of expertise and on a range of business and cultural matters.

Up-to-date lists of professional firms may be obtained from the American Chamber of Commerce in Taiwan by e-mail: amcham@amcham.com.tw or from their website http://www.amcham.com.tw.

In addition, the AIT Commercial Section maintains an online listing of local professional service providers, including local attorneys, accountants, consultants, and other professionals. The listing can be found at http://export.gov/taiwan/businessserviceproviders/index.asp.

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Ministry of Economic Affairs: http://www.moea.gov.tw/Mns/english/home/English.aspx.

Board of Foreign Trade, MOEA: http://www.trade.gov.tw/English/.

Investment Commission, MOEA: http://www.moeaic.gov.tw (click on "English" in the far top right corner)

National Information & Communications Initiative, Executive Yuan: http://www.nici.nat.gov.tw/content/application/nici/english/.

National Tax Administration, MOF: http://www.ntbt.gov.tw.etwen/.

The Fair Trade Commission, Executive Yuan: http://www.ftc.gov.tw/internet/english/index.aspx.

Taiwan Intellectual Property Office, MOEA: http://www.tipo.gov.tw/en/index.aspx.

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

Agricultural Sectors

Computer Services & Software (CSV/CSF)

Overview

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$6,271,560	$6,171,570	$6,222,060	$6,531,790
Total Local Production	5,372,750	5,189,600	5,330,360	5,580,890
Total Exports	1,157,480	1,118,030	1,148,350	1,150,350
Total Imports	2,056,290	2,100,000	2,040,050	2,101,250
Imports from the U.S.	1,737,400	1,678,190	1,723,700	1,800,500
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:
Total Local Production: Unofficial estimates
Total Exports: Research Report of Information Industry Institute, MOEA
Total Imports: Report of Information Industry Institute, MOEA
Imports from U.S.: Unofficial estimates

Taiwan's computer services and software market relies heavily on imports. U.S. computer service providers and software vendors have a strong reputation for providing integrated solution capabilities and high-performance products with advanced features that are in high demand. An increasing numbers of U.S. computer service providers are partnering with local IT service providers to better manage market entry and customization issues. Marketplace success depends largely on product localization into traditional Chinese characters, business practice customization, and flexible pricing policies. Despite increased competition from local and third-country suppliers, U.S. market dominance is expected to continue in the foreseeable future.

Sub-Sector Best Prospects

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- Big data
- Business application software
- Business intelligence-related applications
- Cyber security software
- Cloud computing security software
- Data Leakage Prevention (DLP)
- Identity and Access Management (IAM)
- Information security solutions
- Information systems integration and consolidation solutions
- On-line learning/entertainment products and services
- Services delivered by using cloud computing platform or mobile devices
- Secure Content and Threat Management (SCTM)
- Security and Vulnerability Management software (SVM)
- Software as a Service (SaaS)

- Storage solutions (hardware embedded software)
- System and network management software
  Platform as a Service (PaaS)

Opportunities Return to top

U.S. software producers have the advanced capability and experience in large-scale and mission-critical software solutions used for high-tech manufacturing and finance. These applications also include data storage requirements and custom-designed business intelligence features. Strong market demand for networking services is being driven by the rising popularity of online services such as games, shopping, music, and video. U.S. content providers and platform developers have many opportunities to work with domestic service providers. As firms integrate their Taiwan operations closely with those of mainland China, the demand for robust communication links between China and Taiwan is bolstering the expansion of high speed networking hardware, software, and services. The Taiwan authorities have identified cloud and mobile computing as the most promising sectors in the Taiwan's computer software and service industries. U.S. companies specialized in these areas have significant potential in Taiwan's market.

Taiwan's cloud computing market is based on Infrastructure as a Service (IaaS). Local computer hardware suppliers and mobile carriers use their own products and services for this market. They are looking for foreign partners to develop both Platform as a Service (PaaS) and Software as a Service (SaaS) for future business opportunities especially for the mainland China market.

The future is promising for the Internet of Things (IoT) and wearable devices, both contributing to the prosperous development of embedded software market. Taiwan's Ministry of Economic Affairs (MOEA) has devoted more than US$254 Million funding in the following eight IoT categories: Smart Home, Smart Traffic, Smart City, Smart Energy, Smart Green Building, Smart Market Place, Smart Tourism, and Smart Medical. In addition to helping local companies developing patents and local standards in compliance with worldwide standards, MOEA also seeks solutions from other countries such as U.S. to bring in the big international service operators, as well as the localized solutions. The mobile application software, such as APP, will have steady and speedy growth, due to the integrated development of application concepts of Social, Location based, Mobile (SoLoMo).

Attending trade shows is one of the most effective ways to create international sales opportunities. In 2015-2016, the following computer hardware and software related products and services trade shows will be in Taipei, Taiwan:

- COMPUTEX Taipei, June 2 - June 6, 2015 http://www.computextaipei.com.tw/
- Smart City Summit & Expo: March 22-25, 2016
  http://smartcity.org.tw/info_en.php

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Board of Science and Technology, Executive Yuan:
http://www.bost.ey.gov.tw/

Information Service Industry Association of R.O.C.: http://www.cisanet.org.tw

Institute for Information Industry (III): http://www.iii.org.tw

Industrial Technology Research Institute (ITRI): http://www.itri.org.tw

Market Intelligence & Consulting Institute: http://www.mic.iii.org.tw/aisp/

Taiwan Electrical and Electronics Manufacturers' Association: http://www.teema.org.tw

Taipei Computer Association: http://www.tca.org.tw/

U.S. firms wishing to learn more about the Computer Services & Software market and expanding U.S. export opportunities to Taiwan at the trade show mentioned above are encouraged to contact CS Taiwan Commercial Specialists Rita Chen at Rita.Chen@trade.gov or visit the website http://export.gov/taiwan/.

Education (EDS)

Overview

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Number of Taiwan Students Studying in the U.S.	21,867	21,266	21,056	21,220
Total Number of U.S. Student Visas Issued to Taiwan Students	15,270	14,858 (est.)	14,713	14,860
Financial Contribution of Taiwan Students to the U.S. Economy (Unit: USD Million)	$726	$707	$700	$705
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Data Sources:

1) IIE Open doors 2014 Report
2) State Department 2013 Non-immigrant Statistics
3) Exchange rates provided by Central Bank of China

According to IIE Open Doors data, in 2014, Taiwan was the 6th leading origin of foreign students studying in the U.S., with 21,266 students enrolled in U.S. institutions. The U.S. remains the top destination for Taiwan students that pursue studies abroad, with 47.9% of the students studying at the graduate level, 27.7% at the undergraduate level, 16.6% at Optional Practical Training (OPT), and 7.8% in other programs.

One recent major development in Taiwan's education industry is the implementation of the Education Innovation Curricula. For the first time, the Taiwan MOE approved 9 in-country joint programs between Taiwan and foreign universities which will begin enrollment as early as fall 2015. Out of the nine programs, four of them are with U.S. universities, namely University of Southern California, University of Rhode Island, UCLA and University of South Carolina, programs spanning from high tech, business, sports management, cultural studies to culinary programs. The Educational Innovation Curricula is aimed at fostering collaboration between domestic and foreign universities, encouraging the establishment of experimental branch campuses, independent colleges, or certificate programs/courses. MOE hopes to introduce international curricula, faculty, and other high-quality educational resources through collaboration, learning, and observation, thus enhancing the quality of teaching and learning. Higher quality of teaching and research goes in tandem with higher education export value, which will recruit students from neighboring countries to pursue their studies in Taiwan. Deregulation and international partnerships will lead to flexibility in attracting top international universities to set up campuses in Taiwan. At the same time, restrictions will be lifted for universities to promote higher education to international students. The move was mainly triggered by two main factors: One being that Taiwan has been left out of a trend within the Asia Pacific region for leading foreign universities to establish branch campuses to serve international students; and the other is the declining number of Taiwan youngsters going abroad to study. U.S. institutions of higher education should take advantage of this window of opportunity to come to Taiwan to explore partnership with Taiwan universities.

In the 2015 Organization for Economic Cooperation and Development (OECD) educational ranking, Taiwan was placed 4th and Taiwan parents are one of the largest investors of children education in Asia. In fact, a recent unofficial survey conducted by an international firm on the proportion of a family income spent on children's education puts Taiwan at the top of the ranking in the greater China area, with around 17% of household income. Spending includes English lessons, test preparations, extracurricular activities or service fees paid to student recruitment agents. In addition, 32% of the parents surveyed have plans to send their children abroad to study for more international exposure and to gain competitiveness in the global market.

One trend that is growing is the increase in the number of top-tier high school graduates going abroad to study. The number exceeded 1,000 for the first time in 2013 and grew to 1,288 in 2014, top four destinations being the U.S., China, Hong Kong and Japan. The source of the students is mainly Taipei and New Taipei City, followed by Taichung, Hsinchu, Taoyuan and Kaohusing. Seeing the growing market demand, more and more private bilingual high schools are being established throughout Taiwan to prepare students to go abroad. Another contributing factor to this trend is the recent transformation of the local high school entrance system, which has sparked much controversy and skepticism among parents.

In recent years, career development programs or degree programs with work opportunities are becoming increasingly popular. An interesting trend developing is more and more Taiwan students choose to stay in the U.S for OPT, a program that allows them to work in the U.S. for 12-29 months upon completion of their studies. One major contributing factor is the stagnant domestic economy which resulted in lower pay and fewer international job opportunities. Seeing the trend, many Asian neighboring countries like China (including Hong Kong), Japan and Singapore have stepped up efforts to recruit top notch Taiwan students by offering scholarships or job opportunities upon graduation. Therefore, it is advisable for U.S. schools to emphasize affordability and post-graduation job placement to attract Taiwan students.

As a mature market, Taiwan has more than 55,000 students going abroad each year for degree, exchange, language and working holiday programs. Traditionally, the major foreign recruiters are from English-speaking countries such as the UK, Australia, Canada and New Zealand. In recent years, Asian neighboring countries such as Hong Kong, China and Singapore, are also becoming very active in recruiting Taiwan students or partnering with Taiwan schools. Going abroad to study is now more of a consumer's choice, with students becoming savvier and selecting programs that offer the best value for the time and money spent.

Taiwan is a stable and mature market for U.S. institutions. Domestic supply of higher education institutions has also reached a saturation point. In order to maintain the leading position, U.S. schools should pursue deeper partnerships with Taiwan institutions for student/scholarly exchanges or joint degree programs. Engaging with student recruitment agencies, developing active alumni networks, and reaching out to potential students through fairs and social media are all recommended strategies.

Sub-Sector Best Prospects

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- Degree programs in business, engineering, computer sciences, health care, education and fine arts.
- Programs containing work or internship component
- Pathway or bridge programs
- Professional certificate or diploma programs
- Joint degree programs with local universities

Opportunities

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Partnership with local schools is a long-term strategy for U.S. schools when recruiting Taiwan students for joint-degree programs or short-term summer programs. In addition, many Taiwan universities have established Mandarin centers to educate foreign students. U.S. schools should consider increasing cultural and language exchanges with Taiwan schools. CS Taiwan can help U.S. schools connect with local universities or high schools for collaboration.

Partnership with student recruiting agents allows U.S. schools to have year-round exposure in the Taiwan market. Recruiting agents are one of the main resources used by Taiwan students and parents when planning for studying abroad. CS Taiwan can help U.S. schools pre-screen prospective agents and arrange one-on-one meetings in Taipei, Taichung and Kaohsiung.

Participation in education fairs may also be a very effective tool. Fair organizers have a deep knowledge of the market and can greatly reduce U.S. schools' marketing expenses. Local fair organizers also counsel students throughout the year and are able to follow up with students visiting the fair. Taiwan's major education fairs featuring U.S. schools include:

- OH! Study International Education Expo (Spring/Fall), co-sponsored by CS Taiwan
- AIEF American International Education Foundation (AIEF) Fair
- USEAS Study World
- The Association of Boarding Schools Fair (TABS), co-sponsored by CS Taiwan
- The MBA Tour
- QS Top MBA Fair

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Taiwan Ministry of Education Website: http://www.moe.gov.tw

Oh! Study Education Center Website: http://ohstudy.net/expo/

American International Education Foundation (AIEF) Website: http://www.aief-usa.org

USEAS Study World: http://www.useas.com.tw/study-world/

Top MBA Tour Website: http://www.topmba.com

MBA Tour Website: http://www.thembatour.com

The Association of Boarding Schools Fair (TABS) Website: http://www.tabs.org

U.S. firms wishing to learn more about the education market and expanding U.S. export opportunities to Taiwan at the trade shows mentioned above are encouraged to contact CS Taiwan Commercial Specialist Grace Tao at Grace.Tao@trade.gov or visit the website www.Export.gov/Taiwan

Electric Power Equipment (ELP) & Energy

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Unit: USD thousands

Electric Power Equipment Market	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$1,311,875	$1,338,113	$1,364,875	$1,378,524
Total Local Production	5,338,642	5,445,415	5,554,323	5,609,866
Total Exports	8,327,379	8,493,927	8,663,805	8,750,443
Total Imports	5,113,194	5,215,458	5,319,767	5,472,965
Imports from the U.S.	767,638	782,991	798,651	806,638
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Unofficial estimates
Total Exports: Statistical Department, MOEA
Total Imports: Statistical Department, MOEA
Imports from U.S.: Statistical Department, MOEA
Exchange rates are rounded rates provided by the Central Bank of China

The Taiwan Power Company (TPC) continues to be the major buyer of electrical power generation, transmission, and distribution equipment. TPC plans to increase its total installed power generation capacity from the current 33,290 MW to 54,761 MW by the year 2015. In 2011, TPC awarded and started the construction work of its 2x800MW Linkou coal-fired power plant project, and in 2012, TPC awarded its 2x800MW Talin coal-fired power plant design construction project. Clean coal technology and renewable energy, especially roof-top solar and offshore wind power, will be the focus of Taiwan's newly installed power capacity.

Fuel Type	Gross Power Generation (MWH)	%
Coal	87,274	33.6
LNG	72,429	27.9
Nuclear	42,389	16.3
Cogeneration	41,789	16.1
Hydro	7,441	3.0
Oil	6,603	2.5
Geothermal & Wind Power	1,487	0.6
Solar	552	0.2

Source: Bureau of Energy, Ministry of Economic Affairs, Taiwan (2014)

Taiwan relies on imports for more than 99% of its energy sources. The Renewable Energy Act in 2009 was passed to promote alternative energy sources such as hydropower, wind, geothermal, and solar. However, traditional energy sources such as coal, liquefied natural gas (LNG), and nuclear power still dominate the energy supply, accounting for more than 78% of the supply. Currently, Taiwan primarily imports coal from Australia and Indonesia, LNG largely from the Middle East and Southeast Asian countries, and uranium fuel rods from the United States and South Africa. In response to public concerns about nuclear safety following the Fukushima disaster, Taiwan has indefinitely suspended the commissioning and commercial operation of the fourth nuclear (Lungmen) power plant. Taiwan's energy policy is designed to maintain a well-mixed portfolio of energy sources to balance energy costs, energy sufficiency, and environmental protection. In considering diversification and cost control, Taiwan has shown interest in importing U.S. coal from the Powder River basin in Wyoming and Montana. Shale gas from Texas, Oklahoma, Arkansas, Louisiana, Michigan, and Illinois may have potential market opportunities in Taiwan.

Sub-Sector Best Prospects Return to top

- Clean coal technologies such as Integrated Gasification Combined Cycle (IGCC)
- Emission control products such as CO_2 sequestration technology
- Renewable energy and energy efficiency products
- Shale gas
- Digital electric meters
- Steam turbines, hydraulic turbines, and gas turbines for power plants
- Electrical equipment for switching, protecting, or connecting electrical circuits (for example: switches, relays, fuses, surge suppressors, plugs, sockets, lamp-holders, junction boxes), for voltage not exceeding 1,000 volts
- Electrical transformers, static converters (for example, rectifiers), and inductors
- Electric (including electrically heated gas) lasers or other light or photon beams; ultrasonic and electron beams; magnetic pulse or plasma arc soldering, brazing or welding machines and equipment (whether or not capable of cutting); electric machines and equipment for hot spraying of metals
- Electric motors and generators (excluding generating sets)
- Smart Grid technology and products
- Low sulfur content coal

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The Government Procurement Law (GPL) took effect in May 1999, and it requires all procurement entities to publicize any procurement projects worth over NT$1 million (US$30,000) on the Taiwan authority's e-procurement website (http://web.pcc.gov.tw).

The Taiwan Power Company's current major projects include:

- Linkou (Rebuild) Coal-Fired Power Projects (2x800MW)
- Talin (Rebuild) Coal-Fired Power Projects (2x800MW)
- Shenao (Rebuild) Coal-Fired Power Projects (2x800MW)
- Wind Power Project Stage 4 & 5

The Taiwan Power Company and the two local Independent Power Providers (IPP), the privately owned Formosa Group (Mailou Plant), and the Taiwan Cement Group (Hoping Plant) are planning to procure equipment and fuel additives that can help their coal-fired and oil-fired power plants increase power generation efficiencies.

To transmit and distribute electricity in a more efficient way, Taiwan's Bureau of Energy and TPC have started the planning and pilot implementation of Taiwan's national smart grid system.

U.S. companies can use the Business Facilitation Service provided by the Commercial Service Taiwan to have meetings with Taiwan's Bureau of Energy and the Taiwan Power Company to make technical presentations to introduce company background and products. U.S. companies can also use the Gold Key Service and Single Company Promotion service provided by Commercial Service Taiwan to help locate qualified local business partner and facilitate business development.

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Public Construction Commission: http://www.pcc.gov.tw.

Ministry of Economic Affairs (MOEA): http://www.moea.gov.tw.

Taiwan Power Company (Taipower): http://www.taipower.com.tw.

U.S. firms wishing to learn more about the electrical power equipment market and expanding U.S. export opportunities to Taiwan at the trade shows mentioned above are encouraged to contact CS Taiwan Commercial Specialist Allen Chien at Allen.Chien@trade.gov or visit http://www.buyusa.gov/taiwan/en/.

Electronic Components (ECL)

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$15,092,570	$14,563,900	$14,083,568	$13,700,550
Total Local Production	35,277,430	34,041,720	34,965,060	34,800,050
Total Exports	33,012,750	31,856,360	32,720,425	32,600,000
Total Imports	12,827,890	12,378,540	11,838,933	11,500,500
Imports from the U.S.	327,000	321,870	330,590	340,600
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:
Total Local Production: Statistical Department, Ministry of Economic Affairs
Total Exports: Directorate General of Customs, Ministry of Finance (MOF)
Total Imports: Directorate General of Customs, MOF
Imports from U.S.: Directorate General of Customs, MOF

Taiwan's electronics firms, especially information technology product manufacturers, rely on imports of leading edge components (e.g. integrated circuits) to maintain the competitiveness of their assembly operations. This trend will continue to drive demand for imports of U.S. advanced technologies. Information and communication product applications contribute a high ratio of local demand for electronic products, especially high-end integrated circuits. U.S. firms, however, face stiff competition from Japanese and Korean companies, which lead the passive component and display market sectors. Taiwan-produced components are mainly used in consumer electronic product applications.

Taiwan's PC market is mature, which is reflected in the high PC household penetration rate of 87.5%. Most of Taiwan's industry computer production is performed on a contract basis with Quanta Computer, Compal Electronics, Wistron, Inventec and Pegatron (Formely Asusteck). Taiwan PC vendors are now also making a strong push into the smartphone arena, competing with Apple, HTC, Samsung, Sony, ZTE, Huawi and Xiaomi. In January 2013, Taiwan PC giant ASUS launched its first smart phone, ZenPhone.

Sub-Sector Best Prospects

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The following market segments and respective build-of-material (BOM) components are best business prospects for U.S. firms seeking to tap into Taiwan's consumer market and global technology supply chain:

- Chips and wafers for light emitting diodes and transistors
- Cloud Monitor
- Digital Camera

- Dynamic random access memory integrated circuits
- Global Positioning System (GPS)
- Integrated circuits for central processing units
- Monolithic digital & hybrid Integrated Circuits (ICs)
- Monolithic digital IC chips
- Notebook PCs
- Phablets
- Plugs and sockets for co-axial cables and printed circuits
- Smart Phones
- Smart TVs
- Tablets
- Touch Panel
- Transistors and light emitting diodes
- Video Games & Online Games

Opportunities Return to top

Taiwan companies now generally focus on the production of the higher value-added components found in electronic products, such as notebook computers, phablets, tablets and smartphones. Many have already shifted the manufacture and assembly of many lower value-added items overseas, primarily to mainland China. This trend has led to a continuous demand for the import of cutting edge components, providing American firms with ample sales opportunities. The U.S. continues to be the leader in new innovative technologies and services. U.S. firms are expected to remain as major suppliers of advanced and specialized items due to the excellent performance and reliability of their products and services.

Taiwan companies are always seeking updated technologies especially from the U.S. to improve their production capability. U.S. semi-conductors play important role in Taiwan with their updated and innovative designs and applications. Taiwan semi-conductor manufacturers also purchase specialized manufacturing machines from U.S. suppliers. U.S. suppliers who are seeking partners in Taiwan may consider using the AIT Commercial Section’s Gold Key Service. This service helps U.S. firms identity potential partners for their specified products and services. Also, the Single Company Promotion service can be used to help with business development for potential clients.

The International 2016 Consumer Electronics Show (CES) is the world’s largest electronic technologies show, and is held in January 6-9, 2016 in Las Vegas, Nevada. As International CES is one of the trade shows certified by the U.S. Department of Commerce, CS Taiwan will organize an International Buyer Program (IBP) delegation to the show. The members of this delegation will consist of a large number of buyers and importers of electronics products. Detailed information about the show is available at the website: http://www.cesweb.org/.

In addition, during 2015 the following electronic products related trade shows will be in Taipei, Taiwan:

- COMPUTEX Taipei, June 2 - June 6, 2015 http://www.computextaipei.com.tw/
- TICA Taipei Computer Applications Show, July 30- August 3, 2015 http://www.tica.tw/zh_TW/index.html

- Taiwan International Photovoltaic Forum & Exhibition, October 14- October 16, 2015, http://www.pvtaiwan.com/
- Taipei International Electronics Show, Taitronics 2015, October 6-9, 2015, http://www.taitronics.org

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Industrial Technology Research Institute (ITRI): http://www.itri.org.tw

Industrial Development Bureau, MOEA: http://www.moeaidb.gov.tw

Taiwan Electrical and Electronics Manufacturers' Association: http://www.teema.org.tw

Taipei Computer Association: http://www.tca.org.tw/

Business Monitor Online: https://bmo.bmiresearch.com/home

U.S. firms wishing to learn more about the electronic components market and expanding U.S. export opportunities to Taiwan at the trade shows mentioned above are encouraged to contact CS Taiwan Commercial Specialist Rita Chen at Rita.Chen@trade.gov or visit http://export.gov/taiwan.

Electronics Industry Production/Test Equipment (EIP)

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$10,430,000	$9,630,000	$12,340,000	$13,000,000
Total Local Production	1,211,744	2,633,753	2,300,000	4,181,420
Total Exports	1,063	1,055	1,350	1,420
Total Imports	9,219,319	6,997,302	8,400,000	8,820,000
Imports from the U.S.	2,182,764	1,920,606	2,300,000	2,420,000
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Unofficial estimates
Total Exports: Directorate General of Customs, Ministry of Finance (MOF)
Total Imports: Directorate General of Customs, MOF
Imports from U.S.: Directorate General of Customs, MOF
Exchange rates provided by Central Bank of China and The Institute of Economics, Academia Sinica

According to Semiconductor Equipment and Materials International (SEMI), the equipment market in 2014 had a solid recovery in overall equipment spending which benefited from the mobile device market and is expected to grow in 2015. SEMI estimates that Taiwan Fab investments are expected to show more growth into 2015 led by foundry and memory manufacturers. Taiwan still ranks number one in the world in both foundry services and Integrated Circuit (IC) packaging and testing services, which drive Taiwan semiconductor industry equipment investment and material demand. Taiwan ranks second, behind the United States, in the IC design industry. The fast growing IC design industry continues to compliment the foundry services in Taiwan. Equipment spending by Taiwan's semiconductor industry in 2015 will remain the world's highest for a fifth consecutive year, according to SEMI. Taiwan's lead is forecast to widen further this year with the figure projected to surge 28.14 percent to US$12.34 billion. Taiwan imports most of its advanced electronics industry production/test (EIP) equipment, with demand mainly from local semiconductor and electronics manufacturers. The semiconductor industry now accounts for about 40-45% of Taiwan's total EIP market investment. The demand for imported EIP equipment, which accounts for more than 85% of Taiwan's total EIP market, will remain strong. As a major source of specialized EIP equipment, U.S. firms will continue to find ample sales opportunities for their products' proven performance, high reliability and durability.

Sub-Sector Best Prospects Return to top

U.S. equipment projected to have the best sales potential in the Taiwan market include:

- ELC (Excimer Laser Assisted Crystallization) - Chemical vapor deposition equipment and parts for semiconductor production
- ELC - Machine tools for dry-etching on semiconductors
- ELC - Grinding, polishing and lapping machines and parts for processing of semiconductor wafers
- EIP - Equipment for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays
- EIP - Physical deposition equipment and parts for semiconductor production
- EIP - Rapid heating equipment and parts for semiconductor wafer production
- EIP - Ion implanters and parts for doping semiconductor materials
- EIP - Instruments, equipment, parts and accessories for measuring or checking semiconductor wafers and devices
- EIP - Optical instruments, appliances, parts, and accessories for inspecting photo masks or semiconductor devices
- EIP - Electronics test equipment for communications, broadcasting and consumer electronics

Opportunities Return to top

Industry forecasts an increase in spending in semiconductor equipment in 2015. Taiwan's semiconductor firms continue to expand and upgrade processing technologies of the existing wafer facilities. Several large players in Taiwan continue to make investments to expand on their current facilities. The Taiwan Semiconductor Manufacturing Company Limited (TSMC) is still the leader in wafer fabrication investment projects in Taiwan. TSMC is poised to continue investment in Fab 12 (Phase 6 and 7) and Fab 14 (Phases 6 and 7). UMC is continuing to make investments in 28-nm processing capacity in its Fab 12A. For the memory companies, Micron (Inotera and Rexchip) are investing in 20nm technology at their respective Fabs. Nanya, Winbond and Macronix are also increasing their technology investment to accommodate wireless and consumer applications.

The assembly & packaging and test equipment markets in Taiwan grew by more than 20% in 2014 based on strong demand for wafer bumping, wafer-level packaging, and other advanced packaging factors that have resulted in a boost in capital expenditure. ASE stated that it committed approximately US$1 billion in capital expenditure in 2014, more than the previous forecast US$700 million. However, lower growth is forecasted for the assembly & packaging equipment market in Taiwan for 2015, while some contraction for test equipment demand is expected.

Participating in major trade shows is one of the most effective ways to generate international sales. SEMICON Taiwan is the most important annual event for the Taiwan semiconductor industry. Detailed information about the show is available at the website: http://www.semicontaiwan.org/en/.

In addition, the following electronic products-related trade shows will be held in Taipei, Taiwan this year:

- TICA Taipei Computer Applications Show, July 30 - August 3, 2015
  http://www.tica.tw/zh_TW/index.html
- SEMICON Taiwan 2015, September 2 – 4, 2015
  http://www.semicontaiwan.org/ZH/index.htm
- Taipei International Electronics Show, Taitronics 2015, October 6 - 9, 2015
  http://www.taitronics.org
- Taiwan International Photovoltaic Forum & Exhibition, October 14 - 26, 2015
  http://www.pvtaiwan.com/

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SEMI: http://www.semi.org/en/

Industrial Technology Research Institute (ITRI): http://www.itri.org.tw

Industrial Development Bureau, MOEA: http://www.moeaidb.gov.tw

Taiwan Semiconductor Industry Association: http://www.tsia.org.tw

Taiwan Electrical and Electronics Manufacturers' Association: http://www.teema.org.tw

U.S. firms wishing to learn more about the electronics industry production and test equipment sector and seeking to expand their export sales to Taiwan are encouraged to contact the U.S. Commercial Service (CS) Taiwan Commercial Specialist Teddy Chien at teddy.chien@trade.gov or visit http://export.gov/taiwan.

Franchising (FRA)

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Sales	26,640,000	$33,333,000	$41,666,000	52,082,500
Exchange Rate: 1 USD	29.95	31.72	31.50 (e)	31.00 (e)

Source: Taiwan Chain Stores and Franchise Association

According to the Taiwan's Ministry of Economic Affairs, in 2014 there were 3,099 franchising brands and headquarters with a total of 148,857 stores (36% of directly operated stores and 64% of franchised stores) in Taiwan. The majority classification was general retail (36.3%), followed by food services (32.3%), living services (27.8%), and others (3.5%). The Taiwan Chain Stores and Franchise Association concluded that the total revenue of the franchise industry in Taiwan reached US$33.3 billion in 2014, a growth rate of 25% from the previous year.

Franchises in Taiwan include widely recognized global and regional brands as well as local names, such as 7-Eleven, Starbucks, KFC, McDonald's, Krispy Kreme, and many more. Taiwan has one of the highest densities of chain and franchise stores in the world, according to the Taiwan External Trade Development Council (TAITRA). Ranging from international quick service restaurants to high-end sit-down dinners, the food and beverage (F&B) category is the most dynamic sector in the franchise industry.

Sub-Sector Best Prospects
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- Convenience chain stores
- Coffee shop chain stores
- Food and Beverage chain stores

Opportunities
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Taiwan businesses are very entrepreneurial and are known to be adaptable to the ever-changing market conditions. Despite the recent economic downturn, the number of franchise stores in Taiwan is expected to continue to rise in the coming years, partly due to small company owners' desire to operate their own businesses. Taiwan's service industry accounts for 64.35% of the island's total GDP. The service sector and the franchise industry are expected to continue to grow through increased entrepreneurship and innovation.

The U.S. Commercial Service office in Taipei (CS Taipei) has assisted many U.S. franchise brands in partnering with local master agents for their Taiwan market expansion efforts. Witnessing the recent success of several U.S. franchise brands in Taiwan (e.g. Krispy Kreme, Dairy Queen and Jamba Juice), some of the island's franchise operators have been actively seeking opportunities to represent reputable global brands in Taiwan and in other regional markets.

CS Taiwan also offers cost-effective services such as Simple Company Promotion (SCP) or Gold Key Matching Service (GKS) to help the U.S. franchising brands to expand their presence in the market or to find a Master Franchisee in Taiwan.

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Board of Foreign Trade, MOEA www.trade.gov.tw/

Directorate-General of Customs, MOF www.customs.gov.tw

Association of Chain and Franchise Promotion, Taiwan www.franchise.tw

Taiwan Chain Stores and Franchise Association www.tcfa.org.tw

U.S. firms wishing to learn more about the franchising market and expanding U.S. export opportunities to Taiwan are encouraged to contact Commercial Specialist Mei Mei Wang via meimei.wang@trade.gov or visit: www.buyusa.gov/taiwan.

Household Consumer Goods (HCG)

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$3,813	$3,965	$4,160	$4,368
Total Local Production	5,291	5,503	5,778	6,010
Total Exports	2,710	2,923	3,169	3,348
Total Imports	1,232	1,385	1,551	1,706
Imports from the U.S.	229	238	210	220
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:
Total Local Production: Unofficial estimates
Total Exports: Statistical Department, Ministry of Economic Affairs
Total Imports: Statistical Department, Ministry of Economic Affairs
Imports from U.S.: Unofficial estimates

With an increasing demand for quality products and enjoyable shopping environment, the concept of using modern retail channels such as department stores, supermarkets and hypermarkets for purchases of household consumer goods has been widely adopted by consumers in Taiwan. Taiwan consumers are sophisticated and they closely follow global trends. The market scale of household consumer goods in Taiwan has remained at around US$4 billion over the past three years with a steady growth at 4 to 5 percent yearly. Imports supplied 35 percent of Taiwan's total demand of US$1.385 billion in 2014 and the remaining 65 percent relied on local production that totaled US$2.9 billion. Domestic production amounted to US$5.5 billion, US$2.9 billion of which was mainly for exports. With growing interest in good-quality household consumer goods by local consumers, the import market is expected to continue increasing for the next two to three years, especially for high-end products. In 2014, the value of imports from the United States was US$238 million, accounting for about six percent of the total market. For high quality products, the industry projected a growth of imports from the U.S. at about 3 percent to 5 percent for the next two years. In Taiwan the U.S. remains one of the major suppliers of high-end imported household consumer goods of water filters, air purifiers, household essentials, vacuum cleaning robots, blenders, food processors and other housewares.

The Taiwan market of household consumer goods is mature and mainly divided into price-oriented and quality-oriented segments. The store-based retailing market for branded household consumer goods is well established and welcomed by consumers in Taiwan. Local production mainly supplies the market for low- to medium-end household consumer products, while imports from more advanced economies are considered to be of superior quality, supplying the high-end market. The major countries of origin of the high-end imported household consumer goods in the Taiwan market are the United States, Japan, Korea, and some European countries, such as France, Italy, Germany, United Kingdom, Sweden, Switzerland, and Denmark. Products with positive demand from the U.S. are high-end household electric appliances, kitchen utilities, washers, household furnishings, air/water filters and purifiers.

Sub-Sector Best Prospects

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- High-end kitchen utilities such as blenders, cooking wares, coffee makers, food processors, mixers, bake ware, ovens, dish washers
- Household furnishings such as carpets, blankets, towels
- Household high-end electric appliances, such as vacuum cleaning robots, cloth washers, cloth dryers, refrigerators, electric booth brushes
- Water filters, air purifiers
- Household essentials, such as laundry products, air refreshers, cleaning sanitary agents

Opportunities

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With the continuously growing demand for interesting lifestyles and better living standards, more and more local consumers are willing to increase their expendable budget on household consumer goods to create a more enjoyable living environment. Taiwan is a viable market for high-quality and differentiated household consumer goods. Steady sales growth in high-end retailing channels in the past five years have shown that local consumers believe that U.S. products provide good designs and high quality. Since the market for low- to medium-end of household consumer goods has been intensely competitive and dominated by local and Asian suppliers, U.S. suppliers of household consumer goods should target the high-end market. Taipei, Taichung and Kaohsiung are the top three major metropolitan areas in Taiwan. With high population densities and household incomes that are approaching US$31,000 per year, these cities are the centers of Taiwan’s retail market. To enter the Taiwan market, U.S. suppliers should consider designating a capable agent or distributor with a well-established network to major retail channels. It is a key factor for success. The U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and locate agent/distributor worldwide. To obtain the services provided by the U.S. Commercial Service, please visit the website at http://www.export.gov/taiwan.

CS Taiwan has occasionally collaborated with local retailers of major department stores and hypermarkets in organizing “America Weeks” or “America Month” events to promote U.S. consumer goods in Taiwan. In July 2015, CS Taipei will partner with one of the largest department store chains, Far Eastern Department Store Corporation, to promote “America Weeks” for three weeks at seven FEDS’ department stores throughout Taiwan. FEDS estimates that the promotions will attract over two million shoppers. The America Weeks retail promotions are an excellent venue for U.S. suppliers and their Taiwan representatives to participate in order to enhance their brand image, sales generation and expand market share in the Taiwan market. CS Taiwan will continue partnering with Taiwan's popular retailers, seeking opportunities on behalf of interested U.S. companies to promote U.S. household consumer goods.

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Board of Foreign Trade, MOEA: www.trade.gov.tw

Directorate-General of Customs, MOF: www.customs.gov.tw

U.S. firms seek more information on the household consumer goods market in Taiwan, please contact Menny Chen, Commercial Specialist at Commercial Section of American Institute in Taiwan, at menny.chen@trade.gov or visit the website www.buyusa.gov/taiwan/en.

Medical Devices

Overview

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	3,124,000	4,294,941	4,636,656	5,033,133
Total Local Production	2,718,000	2,894,670	3,082,824	3,283,208
Total Exports	1,626,000	1,626,931	1,682,247	1,739,443
Total Imports	2,032,000	3,027,202	3,236,079	3,459,368
Imports from the U.S.	326,836	353,539	377,933	404,010
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Unofficial estimates
Total Exports: Customs Administration, Taiwan Ministry of Finance
Total Imports: Customs Administration, Taiwan Ministry of Finance
Imports from U.S.: U.S. Census Bureau

In 1995, Taiwan launched the National Health Insurance (NHI) program, and has provided universal health coverage (99.9% of the population) through a single payer system ever since.

Twelve percent of Taiwan's population in 2014 was over the age of 65. This, some say, is in part due to a successful health care system. In 2013, Taiwan's health expenditure was 6.6% of gross domestic product (GDP) and is expected to grow annually at a rate of 4.7% putting further strain on healthcare expenditures in the coming years. This trend however, is not merely driven by an aging population, but economic performance, a universal healthcare coverage system and an increasing prevalence of chronic disease also contribute. About 62% of Taiwan's healthcare expenditures are funded by the public sector with the remaining 38% covered by out-of-pocket private spending. Taiwan also had one of the highest per capita healthcare spending trends in the Asia Pacific region in 2014, at US$2,546 per person, one third of the United States.

There are over 20,000 primary and 500 secondary care units in Taiwan, many of which are small, privately owned clinics. In 2014, roughly 93% of all health care facilities were contracted by the NHI system to provide healthcare service. Beginning in 2013, Taiwan's NHI entered its second generation phase, which focuses on applying internet, cloud and other information technologies to the system to optimize use and efficiency. Many of the more advanced medical devices are too expensive for the NHI system to reimburse their users. In this case, a self-pay category is utilized, especially for items such as coronary stents, artificial ceramic hip joints, artificial intraocular lenses and metal-on-metal artificial hip joints.

In 2014, the medical device market in Taiwan grew to approximately US$4.2 billion. Business Monitor International expects that the Taiwan medical device market will continue to grow by 8.6% from 2013-2018. Taiwan's lucrative medical device market is ranked 25th in the world in terms of value. Due to limited market size, Taiwan manufacturers export the majority of their products to foreign markets, which consists of primarily low to mid end medical equipment and contracted manufacturing for multinationals. The opportunity for imports is at the high-end where the United States and Japan have been the primary partners. Over 70% of the market is still supplied by imports, of which the U.S. holds one third, or approximately 34.9%, of the market share.

The medical device industry in Taiwan is geographically subdivided into specialized clusters;

- In the Northern section, the science parks in Taipei combine various national regulatory institutions with pharmaceutical R&D laboratories to serve as a platform for the development of new drugs, while the Hsinchu area focuses on biomedical and IT manufacturing.
- In Central Taiwan, a grouping of five major science parks has created a cluster for the high-tech industry in the areas of nano-tech and meters, bio-tech, and precision machinery.
- In the South, specialized research centers highlight marketing and intellectual property while teaming up with local universities to lead R&D for medical products, especially in the areas of the dental, orthopedic and cosmetic industries.

According to the regulations set by the Ministry of Health and Welfare (MOHW), companies that import to Taiwan must submit the required documentation through their Taiwan importers or subsidiaries. Medical devices must apply for reimbursement review while pharmaceuticals must be approved by the Taiwan Food and Drug Administration (TDFA) before entering the market.

Sub-Sector Best Prospects Return to top

Below are the most promising subsectors:

- Cardiovascular equipment
- Endoscopy
- Computerized tomography
- Ultrasonic scanning apparatus
- Magnetic resonance imaging apparatus
- Hemodialysis apparatus
- Chromatographs and electrophoresis instruments
- Shock wave lithotripsy apparatus
- X-rays apparatus for dental uses
- Catheters
- Artificial joints
- Prepared diagnostic and laboratory reagents

Opportunities Return to top

- Growing elderly population: The population in Taiwan was estimated to be 23.4 million in 2014. The population growth rate for 2014 was at 0.2%, with approximately 12% of the population over the age of 65. That percentage has more than doubled since 1984 (BMI, 2015). The MOHW reports indicated that Taiwan's population will continue to grow up until the year 2021 along with an increase in the population of seniors. As a result, the National Health Expenditure (NHE) should continue to increase.

- High import demand over high-tech end market: Approximately 70% of the medical device market is supplied by imports especially at the high-tech end of the market. The imported advanced medical devices are generally from the United States, EU and Japan, with the trend remaining strong.

- Access to Asia market: As living standard rises, there is increased demand for medical care in Asia. Taiwan is located in the transportation hub of the Asia Pacific region, which makes Taiwan an ideal location for entering the emerging markets of Asia, especially to mainland China.

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U.S. Census Bureau, http://www.census.gov/

Taiwan Ministry of Health and Welfare, http://www.mohw.gov.tw/EN/Ministry/

Taiwan Food and Drug Administration, http://www.fda.gov.tw/EN/

Taiwan National Health Insurance Administration, http://www.nhi.gov.tw/english/

Taiwan Ministry of Economic Affairs (MOEA), http://www.moea.gov.tw

Customs Administration, Taiwan Ministry of Finance: http://www.customs.gov.tw/

Business Monitor International (BMI) Research, https://bmo.bmiresearch.com/home

U.S. firms wishing to learn more about the medical device market and expanding U.S. export opportunities to Taiwan are encouraged to contact AIT Commercial Section Commercial Specialist, Evan Gao, at evan.gao@trade.gov or visit http://export.gov/taiwan

Pleasure Boats (PLB)

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$200,000	$200,000	$200,000	$210,000
Total Local Production	150 yachts	150 yachts	150 yachts	155 yachts
Total Exports	135 yachts	125 yachts	135 yachts	135 yachts
Total Imports	20,000	20,000	20,000	21,000
Imports from the U.S.	12,000	12,000	12,000	12,600
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:
Total Local Production: Industry Statistics
Total Exports: Industry Statistics
Total Imports: Industry Statistics
Imports from U.S.: Industry Statistics

Taiwan is the largest yacht manufacturer in Asia with more than 20,000 luxury craft constructed on the island now cruising the world's oceans. Taiwan's yacht production ranks number one in Asia and in the top six globally. In Taiwan, there are 35 active yacht manufacturers, 19 of which are located in the Kaohsiung area of southern Taiwan where there is a well-established industry cluster in the vicinity of Kaohsiung Harbor. Taiwan held its first international boat show in Kaohsiung in May, 2014. The show attracted more than 70,000 visitors including over 2,000 overseas buyers and generated the sales of 32 yachts worth of US$33 million during the show. The next event will be held March 10-13, 2016. Please see the website: http://www.boatshow.tw/en_US/index.html.

The United States is typically the largest market for yachts manufactured in Taiwan and is also one of the biggest suppliers of components used by Taiwan yacht builders, especially engines. The biggest recent development in the industry is the changes in Taiwan's luxury tax for yachts. The new rules stipulate that only yachts over 100 feet would be subject to the ten percent luxury tax. The previous rules stated that any yacht over NT$3 million (approximately US$93,000) in value would be subject to the luxury tax. Local industry experts claim this will open the domestic market to American yacht builders that specialize in ocean going yachts under 100 feet.

Sub-Sector Best Prospects
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- Engines and Generators
- Steering Control Systems
- Air Conditioning Systems
- Vacuum and Marine Toilet Systems
- Sprinkler Systems
- Stabilizers
- Bow and Stern Thrusters

- Paint
- Water Makers
- Hi-Test Chain
- PVC Foam
- Search Lights
- Other Deck Hardware
- Yachts under 100 feet in length

Opportunities Return to top

The marine sector in Taiwan is well-developed and competitive in the areas of yacht and ship construction. Its domestic yachting leisure industry is nascent as rules and regulations are being amended to better allow the marine leisure lifestyle. U.S. firms may find opportunities in marina design and operation and in supplying parts and expertise to Taiwan's yacht builders. With the relaxing of the luxury tax rates and continued development of waterfront areas and marinas, American finished yacht manufacturers may begin to see opportunities in Taiwan's domestic market.

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(Taiwan Yacht Industry Association (TYIA): http://www.taiwan-yacht.com

United Ship Design & Development Center: http://www.usddc.org.tw

Taiwan Yacht Net: http://www.taiwanyacht.com

U.S. firms wishing to learn more about the pleasure boats/accessories market and expanding U.S. export opportunities to Taiwan at the trade show mentioned above are encouraged to contact AIT Commercial Section Kaohsiung Commercial Assistant Daphne Fan at daphne.fan@trade.gov or visit http://export.gov/taiwan

Pollution Control Equipment (POL)

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$734,828	$689,411	$701,472	$708,487
Total Local Production	514,552	524,843	524,843	530,091
Total Exports	733,701	541,844	541,844	547,262
Total Imports	921,078	766,526	766,526	774,191
Imports from the U.S.	197,035	183,617	183,617	185,453
Exchange Rate: 1 USD	29.50	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources:

Total Local Production: Unofficial estimates
Total Exports: Statistical Department, MOEA
Total Imports: Statistical Department, MOEA
Imports from U.S.: Statistical Department, MOEA
Exchange rates are rounded from rates provided by the Central Bank of China

Since 1980's, Taiwan has developed a comprehensive sets of laws and regulations to address environmental protection issues for the air, water, and soil environmental sectors. In 2011, Taiwan's Environmental Protection Administration (EPA) announced more stringent standards for discharged waste water and emitted air pollutants. Since then, Taiwan's manufacturing plants in its 66 industrial zones and three science parks have been required to procure and install the needed equipment to comply with the new standards. In 2011, Taiwan also passed the Indoor Air Quality Act that requires all public used buildings and transportation vehicles to be equipped with air quality detecting and monitoring devices. Taiwan is also known for assembly and export of pollution control devices.

Sub-Sector Best Prospects

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- Ultra-pure water equipment
- Process water recycling/reuse equipment
- Precious heavy metal extraction and separation technology
- Advanced wastewater treatment technologies
- Greenhouse gas monitoring and reduction equipment
- Polluted soil rehabilitation technology

Opportunities

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The Taiwan authorities started to address climate change by developing a Greenhouse Gas Reduction Act, which calls for decreasing Taiwan's CO_2 emissions to levels recorded in 2000 by the year 2025. The market demand for greenhouse gas monitoring and reduction equipment will continue to increase for the next few years. As Taiwan retains its major high-tech manufacturing base for electronics and electrical equipment, advanced pollution control equipment and technologies, such as those that treat acids, alkalis and toxic materials, will continue to be in great demand. Because Taiwan is facing a serious water shortage situation due to rainfall shortages caused by drought, water recycling technology and equipment for industrial and municipal waste water also has potential business opportunities. In addition, Taiwan has 100 EPA-accredited testing laboratories. These laboratories have continuous demand to procure precision testing instrument, much of which is manufactured by international suppliers.

U.S. companies providing pollution monitoring devices and/or treatment equipment can use the Gold Key Service and Single Company Promotion service provided by Commercial Service Taiwan to help locate qualified local business partners and facilitate business development.

Attendance at trade shows is one of the most effective ways to create international sales opportunities. The following is a list of relevant trade fairs in the United States and Taiwan:

- WasteExpo 2015, June 2-4, 2015, Las Vegas, Nevada
  http://www.wasteexpo.com/we15/public/enter.aspx
- American Water Works Association(AWWA) ACE 15, June 7-10, 2015, Anaheim, California
  http://www.awwa.org/conferences-education/conferences/annual-conference.aspx
- Taiwan Green Industry Show (TiGiS) 2015, October 14-16, 2015, Taipei, Taiwan. TiGiS is Taiwan's largest green industry exhibition featuring clean energy, environmental protection, and water technology. Since 2011, the AIT Commercial Section has organized a U.S. Pavilion at TiGiS. The U.S. Pavilion is the best platform for a participating U.S. company to exhibit their products to interested buyers. During the trade show, AIT Commercial Section can also arrange Single Company Promotion (SCP) seminars for the U.S. Pavilion participants in order to further promote their products and services.
  http://www.greentaiwan.tw/

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Environmental Protection Administration (EPA), Executive Yuan: http://www.epa.gov.tw

U.S. firms wishing to learn more about the pollution control equipment market and expanding U.S. export opportunities to Taiwan at the trade shows mentioned above are encouraged to contact AIT Commercial Section Commercial Specialist Allen Chien at Allen.Chien@trade.gov or visit http://export.gov/taiwan.

Telecommunication Equipment (TEL/TES)

Overview

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$3,867,860	$3,736,090	$3,830,600	$3,881,520
Total Local Production	8,710,690	8,405,560	8,633,530	9,065,600
Total Exports	7,691,080	7,421,670	7,622,980	8,004,130
Total Imports	2,848,250	2,752,200	2,820,050	2,820,050
Imports from the U.S.	239,620	255,360	271,430	293,290
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
Data Sources

Total Local Production: Institute for Information Industry, III
Total Exports: Directorate General of Customs, MOF
Total Imports: Directorate General of Customs, MOF
Imports from U.S.: Directorate General of Customs, MOF
Exchange rates provided by Central Bank of China and The Institute of Economics, Academia Sinica

In terms of new technologies, smart phone, broadband, and wireless chips represent the major trends in Taiwan's telecom industry. The Taiwan telecom industry is focusing on network flow management, deployment of virtual and heterogeneous networks, and integrated services. Also, Taiwan's fixed-network carriers, mobile operators, and broadcasters (terrestrial TV, radio and CATV networks) are upgrading their network infrastructure to increase their market competitiveness. Taiwan has informally stopped supporting Worldwide Interoperability for Microwave Access (WiMax) after the Intel Taiwan WiMax Program Office closed in June 2010. The Taiwan authorities have shifted the focus on Long Term Evolution (LTE) 4G technology, which is a standard supported by the world's major telecom equipment and service providers. Following global trends, Taiwan is also keen on becoming involved in developments related to the upcoming 5G standard.

Taiwan imports about 80% of its telecommunications equipment. Over 50% of its imported telecommunications equipment comes from China, primarily originating from Original Equipment Manufacturers (OEM), Original Design Manufacturers (ODM) factories. The U.S. has approximately 8% market share of the imported telecommunications equipment into Taiwan.

Sub-Sector Best Prospects

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- 4G Long Term Evolution (LTE)
- Audio Production Equipment for Broadcast and Television
- Broadcast and Television Transmitters
- Broadcast and Television Antennas

- Broadcast Codec
- Broadcast Master Control Equipment
- Cable Customer Premise Equipment (CPE)
- Cable Television (CATV) Digital Head End Equipment
- Cloud Computing, Cloud Applications
- Digital Editing Systems
- Femtocell
- Fixed Mobile Convergence
- Global Positioning System
- Internet Protocol Television (IPTV)
- Intercom, Remote Control, Recording Studio, Theater and Stage Equipment
- Long Term Evolution (LTE)
- Microwave, Host Protected Area (HPA), Enthusiast System Architecture (ESA System)
- Near Field Communication (NFC)
- Mobile TV
- On –Air, Transmission, Head End Products Video Equipments and Accessories
- Satellite Communication System Integration for Government, Military and Media
- Satellite News Gathering (SNG), Electronic News Gathering (ENG) equipment
- Wireless LAN

Opportunities Return to top

The Taiwan authorities launched "The Development of Digital Convergence Program" in 2010. Plans are underway to complete this program by 2015. The program's objectives are to secure a comprehensive high-speed broadband network capacity up to 100Mb that can promote the following: convergence of telecommunications services, acceleration of the process to construct new digital video television services, and communication and dissemination of industry upgrades. The goals of the program seek to achieve six million fiber optic subscribers, two million wireless broadband subscribers, a digital cable TV penetration rate of 100% of the national households, and a 50% increase in new video service penetration by 2015. Taiwan began the digital wireless TV era on July 1, 2012 when it turned off its analog signal systems, encouraging people to watch high definition (HD) programs from their set top boxes, wireless TV, cable TV and Internet Protocol Television (IPTV). The National Communications Commission (NCC) released two digital TV licenses in 2013. The TV operators that won the licenses will operate 16 wireless digital channels. NCC also released 34 radio licenses in 2014 after a pause of 14 years. The TV radio licenses are covering both analog FM and AM stations. Several TV stations are undergoing new building construction that integrates the High Definition (HD) studios technology. All these projects would require the latest broadcasting equipment and services.

On October 2013, NCC awarded six licenses to provide LTE 4G services for 700/900/1800 MHz. Four mobile carriers are expected to provide 4G services commencing in July 2014. The deployment of LTE 4G is also expected to boost the demand for innovative applications, content, and software. For the three existing WiMAX operators that serve less than 100,000 subscribers in Taiwan, NCC is requiring system upgrades to the WiMAX 2.1 standard in order to be compatible with TD LTE by end of 2015. Also, the operators must complete the required number of base station numbers stated in their WiMAX contracts from 800 to 1994. In Q3 of 2015, NCC will start another spectrum auction of 2600 MHz which is currently occupied by WiMAX operators. WiMAX operators would have to participate in the bidding process to obtain this 4G LTE spectrum as well.

Following steps taken by Europe, China and Korea, Taiwan's Executive Yuan has announced 2014 as the launch year for 5G and they will invest US$400 million in the mobile telecom industry over the next six years. Plans are underway to build a 5G lab network, and establish the Taiwan Communication Standards Association (TCSA) with 5G being commercialized starting 2018-2025. The 5G infrastructure will be based on LTE, WiMax and Wi-Fi technologies to fulfill Taiwan's 3M strategies: Multi-Network, Multi-Devices and Multi-Usage.

From 2015-2017, the Taiwan Authorities are focusing on reaching the objectives of creating smart cities concepts, prevalent 4G services and local industrial upgrades. The smart city applications will be principally applied in the surveillance, healthcare, logistic, financial services, transportation and entertainment sectors. CS Taiwan has hosted a smart city webinar and will host more related activities for U.S. suppliers to learn more about these smart city opportunities.

Participating in major trade shows is one of the most efficient ways to generate international sales. The National Association of Broadcasters Show 2016 (NAB) is one of the 10 largest trade shows in North America. NAB provides the world's largest comprehensive gathering of television, radio, film, video, audio and multimedia professionals. The show will be held from April 16-21, 2016, in Las Vegas, Nevada. CS Taiwan will recruit a Taiwan buyer delegation to attend NAB, which is supported by the U.S. Department of Commerce's International Buyer Program. Detailed information about the show is available at the website: http://www.nabshow.com/.

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Executive Yuan: http://www.ey.gov.tw/

Institute for Information Industry (III): http://www.iii.org.tw

Industry Technology Research Institute (ITRI): http://www.itri.org.tw

Market Intelligence & Consulting Institute: http://www.mic.iii.org.tw/aisp/

Ministry of Economic Affairs (MOEA): http://www.moea.gov.tw

National Communications Commission (NCC): http://www.ncc.gov.tw/english

U.S. firms wishing to learn more about the telecommunications equipment market and expanding U.S. export opportunities to Taiwan at the trade show mentioned above are encouraged to contact CS Taiwan Commercial Specialist Rita Chen at Rita.Chen@trade.gov or visit http://export.gov/taiwan.

Travel and Tourism (TRM)

Overview

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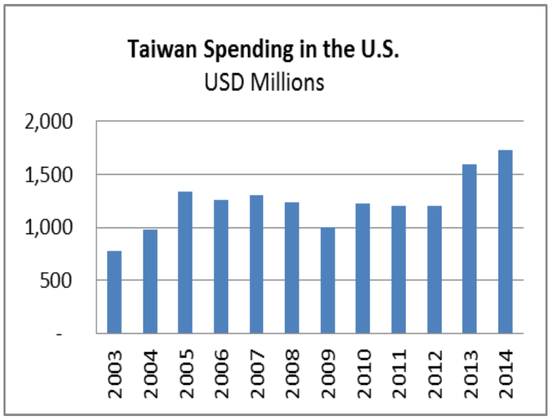
Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Taiwan Arrivals	384,581	413,048	433,700	455,385
Taiwan Spending	$1,609,000	$1,728,000	$1,815,000(e)	$1,905,000(e)



Data Sources: Office of Travel and Tourism Industries (OTTI), Department of Commerce

The United States is the top long-haul destination for Taiwan's outbound travelers. During 2014 over 413,000 Taiwan visitors spent US$1.7 billion on travel and tourism goods and services in the United States. Taiwan joined the U.S. Visa Waiver Program (VWP) in November 2012. In the first year after Taiwan's entry into the VWP, the number of Taiwan visitors to the U.S. increased by 35% from the previous year. Based on OTTI's statistics, there was an increase of 32.5% in 2013 (year on year relative to 2012), and an increase of 7.4% in 2014 (year on year relative to 2013) which exceeded the OTTI's estimate of a 5% increase based on the large growth in visitors from the previous year. The Office of Travel and Tourism Industries at the U.S. Department of Commerce forecasts that travel from Taiwan to the United States will grow by 4 percent annually from 2015 to 2019.

For the people of Taiwan, outbound travel is a vital part of the trade-oriented economy as well as a trendy form of leisure. Additionally, Taiwan's GDP per capita is one of the highest in Asia at approximately US $22,600. As such, an increasing share of the population has the means to seek and enjoy leisure travel abroad. The significant outbound tourist market is supported by over 50% of Taiwan's 23 million people who go abroad each year for business, education, and vacation.

Taiwan's population shares a perspective of the United States as a melting pot of world cultures that attracts a large number of immigrants who bring their own culture and cuisine to the country. Each of these features gives the United States its own special charm that differentiates it from all the other countries. Along with the vigorous development of business activities between the United States and Taiwan, the tourism industry has room to grow as a result of the increased growth of the MICE (Meeting, Incentive, Conference, and Exhibition) industry trend. All-inclusive guided group package tours remain popular with first-time visitors and seniors. The tourism industry should craft itineraries that include mini-tours and appeal to young professionals. As Taiwan travelers mature and become more business savvy, the trend is shifting towards Foreign Independent Travelers (FIT), a market sector of individuals who arrange their own variety of special interest tours, flights, car rental, and accommodations.   Because more than 80% of the visitors from Taiwan to the U.S. are FITs, the demand is expected to grow for niche travel experiences such as sport travel, adventure tours, health and wellness vacations, honeymoon tours, gastronomic holidays, cruise tours, and youth study travel. Substantial, long-standing people-to-people ties and business links between the United States and Taiwan contribute to Taiwan's interest in tourism to the United States. Despite its popularity with Taiwan outbound travelers, the United States faces strong competition from other visa-free destinations, such as Australia, mainland China, Japan, Thailand, and countries within the European Union.

Sub-Sector Best Prospects

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Taiwan visitors to the U.S. most commonly travel for the purpose of vacation and holidays (37%), visiting friends and relatives (26%), doing business (21%) and attending conferences and trade shows (10%).   Taiwan visitors to the United States took an average of 55 days to finalize their travel plans. For 28% of these visitors, it was their first international trip to the United States, and 25% of these travelers booked a pre-arranged package. The average length of stay for Taiwan visitors in the United States was 20.7 days and they visited an average of 1.3 states.

Of the states receiving visitors from Taiwan, California received the most with 47% of the visitors in 2013, followed by Guam, New York, and Nevada. States like Washington, Illinois, Massachusetts, Texas, Hawaii, and Florida are also attracting a growing number of Taiwan visitors. The top American cities receiving visitors from Taiwan are Los Angeles, San Francisco, New York City, Las Vegas, Seattle, San Jose, Chicago, Boston, San Diego, Honolulu and Anaheim. Different attractions from new destinations could be highly successful among Taiwan tourists, provided that promotion of these activities takes place in gateway cities.

Taiwan visitors to the United States are strongly motivated by shopping (89%), sightseeing in cities (80%), experiencing fine dining (45%), visiting small towns/countryside (25%), visiting national parks/monuments (24%), visiting amusement/theme parks (23%), visiting art galleries/museums (23%), visiting historical locations (21%), joining guided tours (18%), and visiting cultural heritages sites (17%). The main sources of information for interested travelers to the United States are airlines (32%), travel agency offices (30%), personal recommendations from friends and relatives (27%), online travel agencies (20%), corporate travel departments (16%), and travel guides (14%).

Taiwan maintains good air connections to major U.S. cities with over 800 weekly flights, among which are more than 70 direct flights from Taiwan to several U.S. gateway cities. Delta Airlines and United Airlines provide daily services to the United States via Japan, and United Airlines began its daily non-stop service to San Francisco in April 2014. Two

Taiwan carriers, China Airlines and EVA Air provide daily non-stop flights to San Francisco, Los Angeles, Seattle, New York, Honolulu and Guam. EVA Air will inaugurate a non-stop flight to Houston in June 2015.

Opportunities Return to top

Taiwan's outbound travel and tourism market offers many opportunities. American travel and tourism suppliers can be directly represented in Taiwan by opening a representative office or designating a General Sales Agent (GSA). They can also work with airlines and state tourism promotion organizations to conduct familiarization tours for major tour operators and influential media personnel. This is an efficient way to promote new destinations, attractions, hotels, and restaurants. It is also practical to work with Taiwan U.S. receptive operators, which are known by Taiwan travel agencies since they speak Chinese and understand the special needs of their clients.

The My Dream Vacation USA program was an innovative travel and tourism promotion initiated by CS Taiwan to attract more Taiwan tourists to the United States through quarterly theme-based press events. Those events created a platform for 75 partners including tourism promotional offices, amusement parks, museums, airlines, car rental companies, shopping malls, hotels, and travel agents to promote their destinations and services. The My Dream Vacation USA program is now fully integrated with the Discover America Committee in Taiwan to create a simplified but strengthened program, providing all members an enhanced promotional platform.

Another way to promote American destinations is by participating in travel fairs. The U.S. Commercial Service in Taipei, in cooperation with the Brand USA and Discover America Taiwan Committees, organizes an American Pavilion at the most important travel fair in Taiwan: Taipei International Travel Fair (ITF) from November 6-9, 2015. CS Taiwan can provide exhibitors in the U.S. Pavilion with logistical assistance, business counseling support, and a pre-show promotion press conference.

CS Taiwan also offers cost-effective services such as Simple Company Promotion (SCP) or Gold Key Matching Service (GKS) to help American destinations or suppliers to expand their presence in Taiwan or to find the right sales agents.

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Discover America Committee in Taiwan: www.discoveramerica.org.tw

Brand USA Taiwan Representative Office: www.GoUSA.tw

Tourism Bureau, Ministry of Transportation and Communications: www.taiwan.net.tw

Taipei Tourism Exposition Organizer: www.tata.org.tw

Taipei International Travel Fair Organizer: www.taipeiitf.org.tw

U.S. firms wishing to learn more about Taiwan's outbound travel and tourism market, as well expanding U.S. export opportunities to Taiwan at the trade shows mentioned above are encouraged to contact CS Taipei Specialist Mei Mei Wang at meimei.wang@trade.gov or visit our website at http://export.gov/taiwan.

Agricultural Sectors

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Beef

Overview

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Unit: Metric Tons

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	132,380	140,637	144,400	147,350
Total Local Production	6,693	6,900	6,700	6,800
Total Exports	548	548	300	450
Total Imports	126,235	134,285	138,000	141,000
Imports from the U.S.	45,049	45,455	47,000	48,200

Note: Figures for bovine meat are in metric tons (carcass weight equivalent). The conversion ratio from trade data into beef carcass weight equivalent is 1:1.36.
Source: Taiwan Directorate General of Customs

Domestic beef production generally accounts for less than five percent of the beef consumed in Taiwan, which means Taiwan is reliant on imports. The top three suppliers of imported beef, the United States, Australia and New Zealand, have maintained their dominance in Taiwan's beef import market since the 1990's. Exports to Taiwan are limited to beef derived from cattle less than 30 months of age due to Bovine Spongiform Encephalopathy (BSE) concerns. Ground beef, internal organs and several items identified as specified risk materials (SRMs) are also in ineligible.

U.S. beef exports to Taiwan in 2011 and 2012 tumbled after Taiwan began rejecting some shipments of U.S. beef that tested positive for ractopamine, a feed ingredient approved for use in the United States and many other countries but not approved in Taiwan. Following Taiwan's decision to implement a maximum residue level (MRL) for ractopamine in September 2012, the United States reestablished itself as the number one supplier of beef to Taiwan, by value. In CY2014, Taiwan imported a record of $294 million in beef products from the United States. Despite Taiwan signing free trade agreements with several of its trading partners, which enjoy zero tariffs for their beef exports to Taiwan, the United States is still the leading supplier of beef to Taiwan.

Consumer demand for U.S. beef has been strong, particularly in the hotel and restaurant sector. Australian beef occupies more shelf space in most retail stores, except in Costco, which carries only U.S. beef.

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The U.S. beef industry is able to supply large volumes of "Asian cuts" at prices competitive with New Zealand and Australian suppliers. These cuts include most of the chuck items, short ribs, and short plate for ethnic Asian cuisines, and middle meat items for Western restaurants. The quality of U.S. chilled beef has been recognized by Taiwan consumers as well as most of the fine dining segment.

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Taiwan's per capita beef consumption (about 10 pounds) is now nearly equal to consumption in Japan (12 pounds) but is still well-below South Korea (18 pounds). Family eating habits and life-style choices combine to constrain the growth of consumption in Taiwan. However, younger people are showing a growing preference for beef and family income increases are encouraging more beef purchases. The booming Taiwan tourism market provides an additional boost for increasing beef import demand.

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For current information on export requirements for Taiwan:
http://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/exporting-products/export-library-requirements-by-country/taiwan
Beef market reports: U.S. Beef Sees Another Record Year in Taiwan
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/U.S.%20Beef%20Sees%20Another%20Record%20Year%20in%20Taiwan_Taipei_Taiwan_12-19-2014.pdf

For other FAS reports, please visit
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

For general information on U.S. food and agricultural exports and USDA's export market development programs, please visit the Foreign Agricultural Service website:
http://www.fas.usda.gov

For more information on the Taiwan market for food and agricultural products, please contact the AIT's Agricultural Trade Office at: ATOTaipei@fas.usda.gov.

Cheese

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	802	747	750	760
Total Imports	$121,477	$135,832	$150,000	$165,000
Imports from the U.S.	36,750	40,039	40,000	40,500
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Annual totals estimated based on available trade data
Source: Global Trade Atlas (HS code: 0406)

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Taiwan imports of cheese continue to increase and reached another record high of US$136 million in 2014. Overall, the most popular and fastest growing cheese varieties are cream cheese and mozzarella. Frequent retail promotions in supermarkets will improve consumer awareness of U.S. cheese and help consumers appreciate the many ways to combine cheese with other, more traditional foods.

Opportunities

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Taiwan does not produce any cheese commercially and relies almost completely on imports. In 2014, Taiwan's imports of U.S. cheese reached another historic high of US$40 million, up 9% compared to 2013. This growth resulted from increased consumption in the foodservice sector and greater consumer demand in the retail sector, the latter driven in large part by the expansion of hypermarkets such as Costco, and upscale supermarkets such as City Super. Cheese consumption in the foodservice segment has further growth potential with new applications for mozzarella and cream cheese in popular baked goods, like pizzas and pastry desserts. Sliced cheeses account for 65% of cheese retail sales. On a per capita basis, cheese consumption in Taiwan is still very low compared to most Western countries and Japan. Local chefs and consumers would benefit from additional instructions on the wide variety of U.S. cheese products and their applications.

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Taiwan Exporter Guide 2014 (TW14021):
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Taipei%20ATO_Taiwan_5-5-2014.pdf

For general information on U.S. food and agricultural exports and USDA's export market development programs:

Foreign Agricultural Service: http://www.fas.usda.gov

For more information on the Taiwan market for food and agricultural products, please contact the AIT Agricultural Trade Office at ATOTaipei@fas.usda.gov

For other information on U.S. dairy exports:
US Dairy Export Council: http://www.usdec.org

Fish & Seafood Products

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$2,376,717	$2,997,810	$3,097,347	$3,224,009
Total Local Production	3,393,978	*3,495,800	3,600,674	3,708,694
Total Exports	1,839,850	1,870,104	1,963,610	2,061,791
Total Imports	1,182,589	1,352,114	1,460,283	1,577,106
Imports from the U.S.	46,366	58,447	64,292	70,721
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Local Production for 2014 is estimated on available trade and consumption data.

Source: Global Trade Atlas; Fishery Agency, Taiwan Council of Agriculture; Taiwan Director General of Custom; Foreign Agricultural Service/Global Agricultural Trade System

Products defined in this sector are under HS codes 03 and 16

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Taiwan's domestic fish production reached US$3.3 billion in 2013, a 5.7% decrease from the previous year (total local production was 3.5 billion in 2012). Taiwan's top five seafood suppliers in 2014 were mainland China, Norway, Vietnam, Chile and Indonesia, respectively. The United States and Canada were Taiwan's 8th and 9th largest seafood suppliers, respectively, in 2014.

Despite gaining market share, the United States is a minor supplier of seafood to Taiwan, behind mainland China and other Southeast Asian countries, which enjoy regional proximity and price advantages. Taiwan's total seafood imports increased to US$1.35 billion in 2014 compared to US$1.18 billion in 2013. The value of fishery products imported from the United States also increased to US$58.4 million in 2014 compared to US$46.3 million in 2013. China has been Taiwan's leading supplier since 2006 and looks to strengthen its position as trade with Taiwan continues to liberalize and expand.

In 2012, shipments of crustaceans and mollusks from various exporting countries, including lobsters and oysters from the United States, were inspected and rejected for heavy metal (specifically cadmium), which was higher than Taiwan's established maximum residue limit (MRL). Even though U.S. lobster exporters were negatively affected by the different testing methodology for heavy metals, the value of lobster imported from the United States continued to increase from US$11.7 million in 2013 to US$15.6 million in 2014.

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Seafood continues to play an important role in the Taiwan diet, and the average Taiwan consumer eats an estimated 35 kilograms of fish and seafood products annually. Taiwan consumers are showing a growing interest in high-quality seafood with stated health benefits. These consumers are sophisticated, and given their traditional preference for fresh fish and seafood, frozen products must be of the highest quality to meet local standards.

Imported seafood items continue to occupy a unique and growing niche in Taiwan's seafood market. For instance, in spite of the current limited market share, prospects for high quality/high value U.S. fish and seafood exports to Taiwan are promising due to increasing incomes and new dietary trends. U.S. fish and seafood products are perceived by Taiwan consumers to be high quality as they are usually featured at high-end restaurants or five-star hotels rather than supermarkets or traditional wet markets. Also, despite the lobster's high price, it continues to be served at Taiwan wedding banquets and traditional holiday events. Conducting product promotions or taste-testing events would likely enhance consumers' awareness and increase the visibility of U.S. seafood.

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Taiwan Exporter Guide 2014 (TW14021):
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Taipei%20ATO_Taiwan_5-5-2014.pdf

Food and Agricultural Import Regulations and Standards (TW13053):
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative_Taipei_Taiwan_12-23-2013.pdf

For general information on U.S. food and agricultural exports and USDA's export market development programs, please visit the Foreign Agricultural Service website: http://www.fas.usda.gov

For more information on the Taiwan market for food and agricultural products, please contact the AIT's Agricultural Trade Office at: ATOTaipei@fas.usda.gov.

Fresh Fruit

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	$3,366,294	$3,529,735	$3,605,000	$3,679,000
Total Local Production	2,926,753	3,000,000	3,050,000	3,100,000
Total Exports	76,367	83,179	75,000	70,000
Total Imports	515,908	612,914	630,000	649,000
Imports from the U.S.	212,488	219,207	225,000	232,000
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Annual totals estimated based on available trade data
Source: Global Trade Atlas; Taiwan Council of Agriculture

Taiwan has one of the world's highest per capita consumption rates of fresh fruit. In 2014, Taiwan imported approximately US$612 million worth of fresh fruit, an 18.8% increase from the previous year. The United States remained the largest supplier, accounting for 35.76% of Taiwan's total fresh fruit imports, followed by New Zealand (19.6%), Chile (18.32%), Japan (11.21%), and South Korea (3.34%).

Taiwan remains one of the top export destinations for fresh fruit from the United States, and Taiwan consumers continue to demand diverse, high-quality agricultural products from the United States, especially fresh fruits. Most fresh produce in Taiwan is sold in supermarkets, hypermarkets, open markets, specialty stores and online. Imported fruits are mainly sold in supermarkets and hypermarkets. Taiwan wholesalers and retailers also prefer U.S. fresh fruit because of high quality, nutrition, brands and profitability. Many Taiwan fruit importers import fruit not only for Taiwan, but also for China. In recent years, non-store retailers have been gaining popularity with home shoppers, and TV/internet sales are on the rise for fresh fruit retail sales.

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U.S. exporters have been successful introducing new fruit varieties to the Taiwan market. The best growth opportunities for U.S. suppliers include relatively new-to-market temperate fruits like cherries, strawberries, and blueberries. Other fresh fruits not previously sold in significant quantities in Taiwan (such as raspberries, blackberries and pomegranate) also have significant growth potential, both in consumer/retail and food service channels. As these products become more widely available, they will increasingly enter mainstream consumption and become more attractively priced.

Major U.S. fruit exports to Taiwan in 2014 included:

- Apples (HS 080810), US$75.7 million, 30% of import market
- Peaches & nectarines (HS 080930), US$30 million, 83% of import market
- Grapes (HS 080610), US$27.7 million, 48% of import market
- Cherries (HS 080920, 080929), US$48.2 million, 52% of import market
- Oranges (HS 080510), US$8.4 million, 86% of import market

- Plums, prune plums, and sloes (HS 080940), US$6.4 million, 91% of import market
- Pears (HS 080830), US$2.6 million, 74% of import market
- Cranberries &blueberries(HS 081040), US$5.5 million, 53% of import market

Opportunities Return to top

ATO Taipei will continue supporting U.S. suppliers' marketing efforts both in the consumer and trade sectors. With strong relationships with Taiwan's food retail chains, ATO Taipei welcomes continued dialogue with U.S. suppliers to explore ways to export to Taiwan.

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Reports on the Taiwan food and agricultural market are available on the FAS website. The search engine can be found at:
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

ATO Taipei marketing program video clippings:
http://www.youtube.com/user/USFoodTaiwan?ob=0&feature=results_main

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Pet Food

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size**	$200,600	$206,700	$212,000	219,000
Total Local Production**	82,160	84,525	86,150	89,400
Total Exports	1,909	1,855	1,900	2,000
Total Imports	120,349	124,030	127,750	131,600
Imports from the U.S.	40,086	35,310	38,000	40,000
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

* Estimates - Official data for local pet food production is not available. Local pet food production was estimated by the American Institute in Taiwan (AIT) based on a research made by Taiwan's Council of Agriculture (COA).
Source: Directorate General of Customs, Taiwan Ministry of Finance

Taiwan's imports of pet food (dog and cat food for retail sale) have more than doubled over the past decade, growing from US$49.3 million in 2004 to US$124 million in 2014. The United States (28%) and Thailand (27%) are the two major suppliers, followed by France (15%), Australia (10%) and Canada (6%).

Official data on local production of pet food is not available. Domestic production is estimated to account for approximately 40% of the total pet food market. Currently, dog food accounts for 70% of the total market. Dried food captures 80% of the total market with "wet" or canned food accounting for the remaining 20%.

Thailand is the number one country of origin, in terms of volume, for imported pet food products. Many of the cheaper products from Thailand are mainly sold in supermarkets and hypermarkets. Premium brands from the United States and other Western countries have been increasing significantly over the past decade after the melamine contamination incidents. Retail prices for premium pet food products may be more than 10 times over cheaper brands.

Currently, the biggest barrier to entry for U.S. pet food to Taiwan continues to be the lingering ban on ruminant products from countries determined by the Taiwan Council of Agriculture (COA) to have Bovine Spongiform Encephalopathy (BSE). U.S. facilities producing pet food with non-ruminant ingredients may be subject to an extensive application process including on-site review and inspection by COA's Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) division at the facility's own expense. U.S. exporters are encouraged to pay close attention to the highly pathogenic avian influenza (HPAI) quarantine status in the United States as Taiwan requires additional manufacturing processes for pet food products from HPAI infected areas.

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The growth in Taiwan's pet food market reflects a societal shift towards animals as pets. With rising incomes and strong Western influences, dogs are now a symbol of affluence in Taiwan. Taiwan pet food imports are expected to continue to grow moderately over the next few years as pet ownership also increases.

In Taiwan, pet food is sold in pet superstores, pet specialty stores, pet clinics, supermarkets, hypermarkets and convenience stores. Larger pet food importers with significant market share typically employ dual distribution channels: 1) selling to a distributor, who in turn sells directly to the various retail outlets, breeders and veterinarians; and 2) selling directly to larger retail outlets and/or individual breeders. Large retail stores are also increasingly importing directly from the producers or developing their own private labels in order to avoid the higher cost of buying from importers.

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The long-term prospects for U.S. pet food exports to Taiwan point towards more competition, but U.S. products are expected to maintain a one-third market share. U.S. pet food brands are commonly viewed as being significantly higher quality, which is the primary reason that Taiwan pet owners are willing to pay higher prices. However, the recent entry of lower-priced pet food, which is imported in significantly larger volumes from Thailand and other Southeast Asian countries, is anticipated to impact the U.S. pet food market share. These pet foods, generally sold with locally-applied private labels, are mainly marketed through supermarket/hypermarket stores.

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For further information, please see the following Foreign Agricultural Service (FAS) report:

Pet Food Report: Taiwan Pet Food Market – Market Opportunities Exist for U.S. Product
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Taiwan%20Pet%20Food%20Market%20%E2%80%93%20Market%20Opportunities%20Exist%20for%20U.S.%20Product_Taipei_Taiwan_7-24-2013.pdf

U.S. manufacturers of pet food products can find additional information regarding Taiwan's import requirements and certification for these products at:
http://www.aphis.usda.gov/regulations/vs/iregs/products/downloads/tw_gi_dcf.pdf

For general information on U.S. food and agricultural exports and USDA's export market development programs, please visit the Foreign Agricultural Service website:
http://www.fas.usda.gov

For more information on the Taiwan market for food and agricultural products, please contact the AIT's Agricultural Trade Office at: ATOTaipei@fas.usda.gov

Pork & Pork Variety Meats

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Unit: metric tons

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	922,829	922,576	947,300	962,400
Total Local Production	855,019	820,000	830,000	840,000
Total Exports	3,518	2,917	2,700	2,600
Total Imports	71,328	105,493	120,000	125,000
Imports from the U.S.	21,181	18,539	21,000	22,000

Note: Figures for porcine meat are in metric tons (carcass weight equivalent). The conversion ratio from trade data into pork carcass weight equivalent is 1:1.43. Source: Taiwan Council on Agriculture, Taiwan Directorate General of Customs, Global Trade Atlas

Taiwan's pork consumption is relatively stable, and local producers supply most of the market (typically around 90%). Historically, significant imports have occurred only in response to occasional short supplies and high local pork prices. During the past decade, however, imported pork has gained acceptance by Taiwan food processors. As a result, there is now a steady demand for imports of pork for further processing.

Imports of U.S. pork were disrupted in 2007 due to the detection of ractopamine, a feed ingredient that is approved for use with pigs in the United States and many other countries but not approved for use in Taiwan. Continuing uncertainty about this issue has allowed Canada and various European countries to replace the United States as the leading exporters of pork to Taiwan. In fact, Taiwan's combined imports of pork from the Netherlands, Denmark, and Hungary accounted for over 45% of the total import volume in 2014. The approval of Spanish establishments for export to Taiwan at the end of 2014 intensified the competition. Taiwan imported 2,588 metric tons (MT) of Spanish pork in the first quarter of 2015, and this trend is expected to continue.

Imports of pork products to Taiwan surged 47.9% in 2014 due to tighter local pork supplies induced by the outbreak of the Porcine Epidemic Diarrhea virus (PEDv). Therefore, Taiwan's WTO Special Safeguard (SSG) for pork belly was triggered in September 2014 when total imports of these products reached 9,987 MT.

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Although the Taiwan pork market is dominated by local production, certain variety meats are in high demand and undersupplied. U.S. Boston butt, picnic, trimmings and other U.S. pork variety meats are also well-accepted in the market. Resolution of the ractopamine issue would allow U.S. market share to recover relative to other foreign suppliers and also provide some relief for consumer prices. By exporting these pork muscle meats and variety meat products to Taiwan, U.S. exporters may find room for market growth.

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U.S. valued-added products and processed pork products such as natural pork products, salami, prosciutto and bratwurst are recognized and accepted in retail and foodservice operations. Several premium U.S. pork and processed meat brands have entered the Taiwan market and found strong demand in niche food and retail sectors.

Per capita consumption of pork in Taiwan is more than 80 pounds per year, making it a key source of protein for Taiwan consumers. Also, with the growing number of tourists from mainland China, where pork consumption is also very high, Taiwan's demand for pork will continue to grow.

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For current information on export requirements for Taiwan:
http://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/exporting-products/export-library-requirements-by-country/taiwan

For other FAS reports, please visit
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx.

For general information on U.S. food and agricultural exports and USDA's export market development programs, please visit the Foreign Agricultural Service website:
http://www.fas.usda.gov

For more information on the Taiwan market for food and agricultural products, please contact the AIT's Agricultural Trade Office at: ATOTaipei@fas.usda.gov.

Poultry Meat

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Unit: metric tons

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	718,522	784,972	752,000	759,000
Total Local Production	610,160	646,500	620,000	625,000
Total Exports	7,043	4,837	3,000	4,000
Total Imports	115,405	143,309	135,000	138,000
Imports from the U.S.	94,423	119,733	120,000	115,000

Source: Council of Agriculture, Taiwan Directorate General of Customs

Generally, Taiwan's rate of self-sufficiency for poultry products is over 80%. The United States and Canada are the major two poultry product suppliers to Taiwan, with the United States accounting for over 80% of the import market over the past several years. Total chicken imports in 2014 hit a record high, in terms of volume, due to high domestic pork prices and expanded U.S. supplies.

Taiwan's WTO Special Safeguard (SSG) for chicken wings and legs was triggered in September 2014 when total imports of these products reached 121,426 metric tons (MT). The SSG for this category is expected to be activated again in 2015 when the total import volume of these cuts exceeds the SSG of 116,499 MT.

Highly pathogenic avian influenza (HPAI), which has been found in Canada and in the Western and Midwestern parts of the United States, has caused severe trade restrictions for poultry products. Up-to-date, Taiwan has suspended the importation of U.S. poultry and poultry products from 15 states where HPAI outbreak has been reported. Estimated imports of U.S. poultry for 2015, as reflected in the table above, depends on the resolution of the ongoing dispute over Taiwan’s enforcement of the ban on HPAI in poultry products.

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Taiwan consumers prefer dark meat over breast meat, so the top import items are poultry legs, thighs and some wings. Imports of U.S. poultry meat are expected to continue to grow as the market adjusts to increasing competition. Significant opportunities exist, in particular for those producers who are able to address importers needs regarding cut and packaging specifications. Imported poultry has gained market acceptance in processed food, catering and food service channels, while the situation in the retail market has also been changing due to better defrosting technology and increasing consumer acceptance of frozen poultry.

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At present, the United States is the only major exporter permitted to export to Taiwan. Imports from Canada, however, are a threat because Canadian chicken products are air-chilled hence less water weight is added. While the United States is the major supplier to Taiwan, the strong potential for greater competition over the next few years should encourage U.S. suppliers to increase their service and responsiveness to Taiwan importers in order to maintain market share if the market completely opens.

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For current information on export requirements for Taiwan:
http://www.fsis.usda.gov/wps/portal/fsis/topics/international-affairs/exporting-products/export-library-requirements-by-country/taiwan

Poultry report: U.S. Poultry Exports Increase Due to High Pork Prices
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/U.S.%20Poultry%20Exports%20Increase%20Due%20to%20High%20Pork%20Prices_Taipei%20ATO_Taiwan_10-1-2014.pdf

For other FAS reports, please visit
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx.

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Ready-to-use Processed Foods/Ingredients

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Unit: USD thousands

	2013	2014	2015 (est.)*	2016 (est.)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	N/A
Total Exports	$396,931	$456,378	$430,000	$400,000
Total Imports	718,822	751,721	780,000	800,000
Imports from the U.S.	271,781	282,161	290,000	300,000
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

*Annual totals estimated based on available trade data
Source: Global Trade Atlas, Taiwan Council of Agriculture

Taiwan's expansion of production facilities in the food processing and ingredients industry presents robust opportunities for U.S. exporters of ready-to-use processed foods and high-value ingredients to Taiwan. Even though Taiwan's food processing and ingredient industry is extremely competitive, there are still great opportunities for U.S. exporters. U.S. exports of high- value processed food products to Taiwan reached US$282 million in 2014, and this trend is expected to continue for the next several years.

Ready-to-use processed foods and ingredients are scattered among various HS Codes and categories. In summary, processed ingredients and coffee are two promising sub-sectors with growth potential for U.S. suppliers interested in expanding their presences in the Taiwan market.

Processed Ingredients
U.S. suppliers of processed ingredients including sauces, condiments, additives and processed preparations will find good sales potential both in Taiwan's food processing and food service industries. In 2014, the United States led the overall processed ingredients market with a 37.55% market share followed by Japan (14.25%), Malaysia (4.9%), Singapore (4.8%), Thailand (4.7%), and South Korea (4.6%).

Coffee
The coffee consumer population in Taiwan has seen a rapid growth in recent years. In addition to a wide variety of coffee shops and coffee chains speedily expanding, quick service restaurants and convenience stores are joining the market to have a share of Taiwan's booming coffee market. According to the Taiwan Coffee Association, Taiwan's coffee consumption has reached 100 cups per person per year, and the coffee market is expected to grow by 5% over the next 5-10 years. On the coffee retail side, Taiwan now has more than 10,000 coffee establishments. In 2014, the United States supplied over half of the roasted coffee while Indonesia, Brazil and other tropical countries supplied the majority of the non-roasted coffee beans to Taiwan.

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Increasingly, vigorous competition for consumer attention continues to drive many food processors to innovate their mainstream and traditional food product lines. Importer education and technical/application support will help introduce new products and encourage increased sales.

Major U.S. ready-to-use processed foods/ingredients exports to Taiwan in 2014 include:

- Roasted Coffee (HS 090121), US$33.3 million, 55.85% of import market
- Mixes and Dough (HS 190120), US$17.52 million, 55.16% of import market
- Sauces and Preps (HS 210390), US$71.8 million, 14.24% of import market
- Soups and Broths (HS 1512), US$21.2 million, 34.99% of import market
- Snack Foods (HS 31), US$186.9 million, 15.05% of import market
- Processed Foods Preparations (HS 2012), US$1,031 million, 26.17% of import market

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Opportunities exist to expand U.S. ready-to-use processed foods and ingredients sales to Taiwan's food processing and ingredient sectors. Given Taiwan's current size and population, Taiwan will continue the trend of looking overseas and the United States for qualify food processing and ingredients. Taiwan's food processing and ingredients industry is comprised of the following major sectors: beverage, coffee/cocoa, condiments/seasonings, dairy products, fats/oils, flour/ bakery products, fruits/vegetables, meat/poultry products, snack foods, and sugar and confectionery.

Taiwan's continued modernization and increased acceptance of Western food tastes makes the country an extremely attractive market for U.S. exporters. It is also a safer market to penetrate for companies interested in exporting goods to China, especially in the ready-to-use processed foods/ingredients sector.

Imports of premium processed food items from other countries has been increasing, but U.S. products continue to be well-accepted by Taiwan consumers due to competitive prices and consumer confidence in the quality and safety of U.S. food products.

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Reports on the Taiwan food and agricultural market are available on the FAS website. The search engine can be found at:
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

ATO Taipei marketing program video clippings:
http://www.youtube.com/user/USFoodTaiwan?ob=0&feature=results_main

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Softwood and Treated Lumber

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Unit: Cubic Meters

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	868,494	948,962	942,000	962,000
Total Local Production	21,253	51,361	40,000	40,000
Total Exports	8,694	8,216	8,000	8,000
Total Imports	855,935	905,817	910,000	930,000
Imports from the U.S.	201,744	195,954	200,000	210,000

Source: Council on Agriculture, Taiwan Directorate General of Customs

Taiwan has banned all logging in "natural" timber stands (whether virgin or re-growth) other than commercial thinning approved by the authorities; hence the market relies heavily on imports (over 99%) for all sorts of wood applications. The United States is Taiwan's second-largest softwood and treated lumber supplier following Canada. Total softwood and treated lumber imported from the United States in CY2014 reached a record high of US$55.7 million despite a small decline in volume. Of the products in this category, Southern Yellow Pine (SYP) and other pine species account for most of the export volume and value, making up more than half of the total softwood and treated lumber imports. U.S. SYP products are well accepted and have many applications in Taiwan such as flooring, decks, fences, marinas, sidings, patio and mountain trails. Exports of untreated U.S. SYP products increased to Taiwan in the past several years due to cost concerns of other softwood products. Douglas Fir ranked second among U.S. softwood lumber exports to Taiwan, generating US$6.5 million in export sales in CY2014.

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Most of the U.S. softwood products exported to Taiwan are for non-structural applications. However, opportunities for structural and treated lumber, structural panels and engineered wood products in the residential and non-residential construction sectors are significantly expanding thanks to efforts made to change building codes and product standards. These are increasingly important as Taiwan moves toward modernization of construction sectors and permit development of large scale wooden projects.

After many years of negotiations and consultations, the Taiwan Construction and Planning Agency of the Ministry of Interior announced on October 31, 2008, a working set of fire code regulations for wood-frame construction. The Ministry's building research institute has also reviewed all sectors of the building codes related to wooden construction and is expected to propose an amendment in response to the industry's request for better integrated building codes. Taiwan's National Center for Research on Earthquake Engineering is also working with U.S. industry associations to conduct research on seismic codes for wooden construction. The authorities' endeavors should result in a significant increase in the use of wood products in Taiwan construction/housing projects in the future. With this in mind, the forestry authority also hopes to revise the building regulations for national parks by limiting the number of buildings and by requiring the use of only wood structure designs.

In addition, the U.S. industry has experienced impressive success in its code revision work over the past few years. A number of efforts are being undertaken by Taiwan authorities to demonstrate the benefits of green building technologies to increase the practice of green building and to make information on green building more readily available. With the Ministry of Interior's March 2012 announcement to increase the use of green building materials from 30% to 45%, the utilization of sustainable energy resources has become a major focus of Taiwan's construction industry. According to the amended regulation, builders have been requested to use more than 45% of green building materials among total materials used for interior design in all newly constructed buildings over 10,000 square meters of floor space. The announcement also included a new regulation that 10% of green building materials should be used in outdoor construction such as decks and patios.

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The bulk of the engineered wood market consists of low-end plywood and fiber/particle board. However, changes in construction regulations, government procurement priorities, and consumer attitudes promise to spur interest in high-end engineered wood products such as structural glulam and oriented strand board -- categories in which U.S. suppliers have particular expertise and competitive advantages.

Major importers in Taiwan also discovered a new opportunity for U.S. engineered wood products. Moldboard used in construction sites, which is traditionally made of tropical hardwood, can be produced using U.S. laminated veneer lumber, plywood and oriented strand board (OSB) with better persistence and elasticity performance. Furniture manufacturers also replaced tropical plywood with OSB as bed boards due to cost concerns.

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For general information on U.S. food and agricultural exports and USDA's export market development programs, please visit the Foreign Agricultural Service website: http://www.fas.usda.gov

Wood report: U.S. Wood Highlights Award Winning Tourist Spot
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/U.S.%20Wood%20Highlights%20Award%20Winning%20Tourist%20Spot_Taipei%20ATO_Taiwan_3-7-2014.pdf

For other FAS reports, please visit
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx

For more information on the Taiwan market for food and agricultural products, please contact the AIT's Agricultural Trade Office at: ATOTaipei@fas.usda.gov.

Tree Nuts

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Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	865	989	1,020	1,050
Total Imports	117,258	131,199	140,383	150,210
Imports from the U.S.	71,087	73,958	75,500	78,000
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Annual totals estimated based on available trade data

Source: Global Trade Atlas (HS code: 0802, 080132)

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Tree nut imports continue to grow and reached another record high of US$131 million in 2014. The increase is partly the result of higher prices but also reflects increasing demand from the food processing sector, particularly for mixed nut snacks and powdered drinks.

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Taiwan does not produce any tree nuts. Among the many types of tree nuts, almonds are considered the most versatile. U.S. origin almonds account for more than 80% of market share. A variety of almond products, such as powder, paste, and slices, are widely available in the local market and popular with the baking community. Walnuts are considered flavorful, but they are far more expensive and can more easily result in an unpleasantly burnt oil smell. Pecans are just now taking off with most of the demand for mixed nut packages. However, pecans used by the baking industry are still a foreign concept. Pistachios are commonly used for decorative purposes due to their greenish color. Meanwhile, hazelnuts are the least familiar to the industry. The United States has built its image as a quality supplier in the nut trade. Country-of-origin is a key buying criterion for Taiwan importers since it assures consistent quality.

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Taiwan Exporter Guide 2014 (TW14021):
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Taipei%20ATO_Taiwan_5-5-2014.pdf

For general information on U.S. food and agricultural exports and USDA's export market development programs:

Foreign Agricultural Service: http://www.fas.usda.gov

For more information on the Taiwan market for food and agricultural products, please contact the AIT Agricultural Trade Office at ATOTaipei@fas.usda.gov

Wine & Spirits

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Wine Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	$173	$327	$350	$350
Total Imports	146,616	146,724	148,000	155,000
Imports from the U.S.	11,033	12,990	138,000	147,000
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Annual totals estimated based on available trade data

Source: Global Trade Atlas (HS code: 2204)

Spirits & Others Unit: USD thousands

	2013	2014	2015 (est.)	2016 (est.)
Total Market Size	NA	NA	NA	NA
Total Local Production	NA	NA	NA	NA
Total Exports	41,087	26,570	28,000	29,000
Total Imports	470,185	537,162	540,000	550,000
Imports from the U.S.	1,729	2,358	2,500	2,675
Exchange Rate: 1 USD	29.95	31.72	31.50(e)	31.00(e)

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Annual totals estimated based on available trade data

Source: Global Trade Atlas (HS code: 2208)

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Taiwan imports of wine and spirits in 2014 reached a new milestone, US$537 million, which is an increase of 14% over 2013. The growth is attributed to Taiwan's insatiable appetite for high-end whiskey and the continuous marketing push for premium single malt scotch.

In terms of product mix, whiskey retains the largest market share of 59% by value in 2014. Taiwan imports of whiskey increased by 21% in 2014 compared to 2013. Wine accounts for 21% of wine and spirits imports by value.

The overall (grape) wine imports by Taiwan has been stagnant in volume since 2012, due to the sluggish economy and limited gift-giving. However, the U.S. wine exports to Taiwan continue to show growth in both value and volume by 18% and 6%, respectively, over the previous year. The consumer profile of Taiwan wine drinkers has extended to include young professionals. Entry-level wine drinkers prefer balanced red wines, while semi-sweet white wine remains popular among female drinkers.

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U.S. bourbon has great potential in this market but requires an aggressive campaign push to make an impact on popular single malt Scotch. UK suppliers have successfully held over 95% of the market share for many years. Long-term education and promotional efforts by UK whisky experts have translated into established consumer preferences for single malt Scotch as a status symbol, which is especially popular for premium gift-giving. According to domestic retailers, the market for single malt Scotch is expected to continue to grow. U.S. spirit producers should take advantage of this growing demand and appreciation in Taiwan for premium quality products by launching consumer educational programs.

For the wine market, Taiwan consumers are receptive to wine ratings and media influence. Entrance into the Taiwan market mandates glowing reviews from famous wine connoisseurs or reputable media.

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Taiwan Exporter Guide 2014 (TW14021):
http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Taipei%20ATO_Taiwan_5-5-2014.pdf

For general information on U.S. food and agricultural exports and USDA's export market development programs:

Foreign Agricultural Service: http://www.fas.usda.gov

For more information on the Taiwan market for food and agricultural products, please contact the AIT Agricultural Trade Office at ATOTaipei@fas.usda.gov

For other information on California wine exports:
California Wine Institute: http://www.wineinstitute.org/

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Chapter 5: Trade Regulations, Customs and Standards

Import Tariffs

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Taiwan's tariff schedule is based on the Harmonized Commodity Description and Coding System of the Customs Cooperation Council. On July 1, 2006, Taiwan promulgated a comprehensive revised tariff schedule in compliance with Taiwan's Free Trade Agreement with Guatemala. This revised tariff schedule applies to all of Taiwan's trade partners. In order to meet the requirements for the 2007 version of the World Customs Organization's Harmonized System (HS), starting on January 1, 2009, Taiwan implemented a new version of its tariff schedule and reclassified 297 items of the tariff lines of the ten-digit level in 2010.

Taiwan continues to make unilateral improvements to its tariff structure on finished goods and raw materials. In 2014, the average nominal tariff rate for industrial products was 4.23% and 14.65% for agricultural products. The overall average nominal tariff rate for imported goods was 6.35% in 2014. U.S. industry continues to request that Taiwan lower tariffs on imports of many products, including large motorcycles, wine, canned soups, cookies, savory snack foods, vegetable juices, potatoes and potato products, table grapes, apples, fresh vegetables, and citrus products.

When Taiwan became a WTO member in January 2002, Taiwan implemented tariff-rate quotas (TRQs) on small passenger cars and chassis, three categories of fish and fish products, as well as a number of agricultural products. On January 1, 2007, in accordance with its WTO commitments, Taiwan made additional tariff cuts and increased TRQ amounts on these products. In addition, in 2011 Taiwan eliminated TRQs on small passenger cars.

Trade Barriers

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There has been progress in the area of removing Technical Barriers to Trade (TBT). The March 2013 meeting of the U.S. – Taiwan Trade and Investment Framework

Agreement launched a bilateral TBT Working Group to allow for greater information exchange and better communication and cooperation with regard to a range of specific regulatory issues. The TBT Working Group has addressed U.S. industry concerns that some standards and labeling requirements are overly restrictive or different from international standards or best practices. Revisions to standards and multi-pack labeling requirements furthered by the Working Group have improved the business climate and efforts will continue to eliminate TBT impediments remaining in some areas, especially the services, retail, and medical device sectors. Rules on local licensing of professionals are cited as a barrier to foreign providers of some services. Foreign investors and multinational companies complain of lengthy, costly, and non-transparent regulatory approval processes particularly in the areas of medical devices, cosmetics and pharmaceuticals.

Import Requirements and Documentation

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Under the terms of the Foreign Trade Act, most commodities can be imported freely. In general terms, no import permit or licensing is required and importers can apply for customs clearance directly. However, there are some exceptions. Import permits or documents are required for commodities under the Negative List, which are subject to import restrictions. Commodities under the Negative List include those under certain international treaties or trade agreements and items subject to national defense, society security, cultural protection, hygiene, moral, and environmental and ecological concerns, as well as those subject to policy demands. Products subject to import bans can be imported only with a special import permit from the Board of Foreign Trade, while documents, such as a letter of consent from the relevant authorities, are required for those commodities that are subject to certain importation conditions.

A foreign supplier's pro forma invoice (quotation) is required for application of an import permit and the establishment of a letter of credit. Documents required for shipments to or from Taiwan include a commercial invoice, bill of lading or airway bill, and packing list. A certificate of origin is also required for designated commodities such as sedans, other small passenger cars and chassis, tobacco and alcohol products, and some agricultural products. Shipments of agricultural products, plants, and animals to Taiwan may require certificates of inspection or quarantine issued in the country of origin and are subject to inspection and quarantine upon importation into Taiwan.

Commercial invoices are required for all shipments and must show the import license number; Free On Board (FOB), Cost and Freight (CFR), or Cost, Insurance and Freight (CIF) value; insurance; freight; and discounts or commissions, if any. The commodity description and value shown on the commercial invoices must agree with those on the import license, if any. No requirements exist as to the form of a commercial invoice or a bill of lading. A packing list is required for all shipments if the number of cartons in the shipment exceeds two. In addition to the information generally included in a standard bill of lading, all marks and case numbers appearing on packages must be shown. Customs does not permit the grouping of marks or numbers on a shipment of mixed commodities. Most documents presented for use in customs clearance processing must be prepared in Chinese to avoid delays and expedite clearance processing.

U.S. Export Controls

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In addition to other U.S. government agencies, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of designated "dual-use" commercial items. Dual-use items are defined as those having both commercial and potential military applications.

The majority of exports do not require an export license. Only a relatively small percentage of total U.S. exports and re-exports require an application to BIS for a license. Licensing requirements are dependent upon an item's technical characteristics, the destination, the end-user, and the end-use. It is the responsibility of the U.S. exporter to comply with all BIS licensing requirements.

If an item requires an export license, the exporter must file an application with BIS. If the application is approved, a license number and expiration date will be provided for use on the export documentation.

A good starting point for U.S. exporters to obtain hands-on information about licensing requirements and regulations is to attend a U.S. Department of Commerce export control seminar on complying with U.S. Export Controls. For counseling assistance, please contact one of the following Department of Commerce offices:

U.S. Department of Commerce
Washington D.C.
Trade Information Center
Tel: 1-800-USA-TRADE
Fax: 202-482-4473

U.S. Department of Commerce
Washington D.C.
BIS – Office of Exporter Services
Tel. 202-482-4811
Fax: 202-482-2927

BIS Western Regional Office
Newport Beach, California
Tel: 949-660-0144
Fax: 949-660-9347

Northern California Branch
San Jose, California
Tel: 408-998-8806
Fax: 408-998-7470

Temporary Entry
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Taiwan is not a member of the Admission Temporaire/Temporary Admission (ATA) Carnet system. However, Taiwan has signed bilateral agreements with 39 nations, including the United States, to implement provisions of the ATA Carnet. These agreements grant temporary customs exemptions for commercial samples, professional instruments and equipment, as well as exhibition goods that are brought into Taiwan for sales promotion and exhibition purposes. They facilitate international business by avoiding extensive customs procedures, eliminating payment of import duties and value-added taxes, and replacing the purchase of temporary import bonds. Items must be shipped out of Taiwan within one year of the event's conclusion to avoid imposition of import tariffs and other taxes.

The agreement with the United States and the Taipei Economic and Cultural Representative Office (TECRO) to implement the TECRO/AIT Carnets was signed in December 1999. Like the ATA Carnet, TECRO/AIT Carnets are valid for up to one year and allow U.S. exporters to avoid duties and taxes for commercial samples and professional equipment when entering Taiwan. The TECRO/AIT Carnets issued exclusively for Taiwan are very similar to the traditional ATA Carnets, but must be applied for separately since the U.S. does not have diplomatic relations with Taiwan. For example, if traveling to both Taiwan and an ATA Carnet country, one would have to apply for a TECRO/AIT Carnet and an ATA Carnet. Questions regarding the process of the TECRO/AIT Carnets should be directed to:

U.S. Council for International Business
ATA Carnet Department
1212 Avenue of the Americas
New York, N.Y. 10036
Tel: 212-703-5078
Fax: 212-944-0012
Email: atacarnet@uscib.org
Website: http://www.uscib.org

In the case of imported goods on which only a rental is incurred, without a transfer of ownership, the duty shall be determined on the basis of the rental amount plus the transportation and insurance fees. Duty for goods entering Taiwan for repair or assembly will be based on the costs of repair or assembly (excluding freight and insurance).

Labeling and Marking Requirements
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Taiwan labeling regulations require that the net contents of packaged goods shall be shown in metric units. Dual labeling in metric and non-metric units is permitted. Measuring instruments calibrated in non-metric units must show metric equivalents. Taiwan's Consumer Protection Law requires that all imported goods have Chinese language labels and instructions, which shall be at least as comprehensive as the language-of-origin labels and accompanying instructions.

All imported cargo must bear a mark of distinctive design, a set of three or more letters, or a combination of design and letters indelibly stenciled, stamped, or burned on the packing or on the cargo itself. For cargo packed in cases, boxes, crates, casks, drums, or cylinders, each container should bear a separate number that cannot be repeated for two years. Bags or bales also must bear a nonrecurring number, date, or set of three or more letters. In addition, each package of a consignment must be numbered consecutively. Numbering is not essential for large lots of cargo except when packaged in cases, boxes, or crates, provided that each package of the consignment contains cargo of identical weight.

Organic Labeling: The Council of Agriculture (COA) implemented regulations for organic products on January 29, 2009 and announced the COA's recognition of the USDA's National Organic Program (NOP) on March 18, 2009. Although the COA recognized the USDA's NOP as equivalent, the COA maintains a zero tolerance for any detectable level of chemical residue on organic agricultural products in contrast to the NOP, which has a minimal tolerance for chemical residues resulting from incidental or drift contamination.

Under these new regulations, once the COA recognizes a foreign country's organic standards, the Taiwan importers will be responsible for: 1) coordinating with their specific foreign suppliers and certifying agencies to gain approval from the COA to use the term "organic" on product labels; 2) applying to the COA for all shipments on a batch-by-batch basis for serial number stickers designed to facilitate traceability. Each U.S. shipment to Taiwan also must come with a TM-11 form to declare that the product was grown or produced without the use of prohibited substances. Unfortunately, the increased paperwork and the complicated coordination of shipments have raised operational costs and sometimes lead to delays in clearing product for distribution. As a result, some importers are replacing the "organic" label with more ambiguous language such as "natural", which does not require the same level of documentation. More information is available on the COA's website: http://eng.coa.gov.tw/.

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In order to comply with its WTO commitments, Taiwan has eliminated more than 98.9% of its import controls on 11,213 official import categories. Currently, there are 125 product categories facing import restrictions. Of those categories, 15 require import permits from the Board of Foreign Trade (BOFT) and 110 are prohibited. Most of the permit-required categories are related to public sanitation and national defense concerns, and include some agricultural products and ammunition. In addition, Taiwan maintains a lengthy list of products that are banned if made in mainland China, including chocolate confectionary and meters for medical equipment. In April 2006, the Ministry of Economic Affairs (MOEA) lifted the ban on certain unfilled chocolate from mainland China.

Presently, Taiwan can import from and export directly to mainland China. Taiwan is significantly liberalizing imports of products from mainland China as both have joined the WTO. As of March 13, 2015, 9,363 categories or 80.95% of all import categories in the Taiwan tariff schedule can be imported from mainland China. Taiwan continues to review imports from mainland China and considers further relaxation once every six months or as requested by the business sector.

The Economic Cooperation Framework Agreement (ECFA), which was signed by Taiwan and mainland China in June 2010, includes a list of 267 goods permitted to enter Taiwan from mainland China with tariff reductions and exemptions. The list was planned to be phased in over three years starting on January 1, 2011, with the goal of eliminating tariffs on all of the 267 items at the end of the three-year period. Taiwan still retains import bans on more than 2,000 products from mainland China. U.S. industry reports that these bans inhibit their regional supply chains, and prevent certain categories of goods produced in their mainland China-based facilities from entering Taiwan's market.

Starting May 19, 1998, Taiwan extended to all banned mainland China imports the same rules and regulations it applies to all other imports with regard to country of origin and value-added processing. In other words, banned goods from mainland China can be imported if it can be shown that they were primarily made elsewhere, and did not undergo substantial transformation in mainland China. The definition of "substantial transformation" is value added exceeding 35% of the final export value of the goods. In addition, companies working in bonded facilities, enterprises located in export processing zones, and science-based industrial parks which produce wholly for export are permitted to import banned manufacturing components and raw materials from mainland China.

Customs Regulations and Contact Information

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Although Taiwan's trade rules and regulations are at times quite complicated, it is becoming easier and more convenient for foreign businesspeople and manufacturers to do business with Taiwan. Rules and regulations have been simplified, infrastructure facilities improved, and trade services enhanced.

All goods shipped to Taiwan must have a value and description for the goods shipped. Duties assessed are based on the Cost, Insurance, and Freight (CIF) value. The duties payable on imported goods are essentially defined on an ad valorem, specific, or selective basis, depending on the items involved. If, for some reason, accurate values cannot be determined, the wholesale domestic market value at the port of importation is used instead.

The contact information for Taiwan's customs office is provided below:

Customs Administration
Ministry of Finance (MOF)
No. 13, Tacheng St., Datong Dist., Taipei City 10341, Taiwan
Tel: 886-(02)2550-5500
Fax: 886-(02)2550-8124
Website: http://web.customs.gov.tw

Standards

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The Bureau of Standards, Metrology and Inspection (BSMI) under the Ministry of Economic Affairs (MOEA) is the authority responsible for the development, compilation, and publication of "Chinese National Standards" (CNS) as well as for conformity assessment. BSMI also implements commodity inspection measures as stipulated in Taiwan's Commodity Inspection Law.

Taiwan's national standards are based primarily on international standards such as those set up by the International Standards Organization (ISO), International Electro-technical Commission (IEC), and International Telecommunications Union (ITU). Taiwan acceded to the WTO on January 1, 2002. The preparation, adoption and application of national standards comply with the requirements of the Agreement on Technical Barriers to Trade (TBT) of the WTO.

National standards are classified under 26 categories. As of March 2015, BSMI has 14,671 national standards. Of these standards, 4,211 correspond with international standards, and the harmonization for 3,902 of them has been completed as of March 2015. The BSMI administers the CNS Market Certification System whereby products meeting standards are allowed to carry the CNS mark.

As of January 1, 2011, the Taiwan Food and Drug Administration (TFDA) has taken over from BSMI all necessary food safety inspection measures while the Bureau of Animal and Plant Health Inspection & Quarantine (BAPHIQ) continues to be responsible for inspection and quarantine for purpose of safeguarding animal and plant health. Taiwan's sanitary and phytosanitary (SPS) standards are generally different from U.S. standards or those established by international regulatory bodies such as the Office of International Epizootic (OIE) or the Codex Alimentarius. In some cases, these differences – more specifically, the absence of maximum residue level (MRL) standards for many agricultural chemicals in common use internationally – have resulted in mark disruptions and created uncertainty among U.S. exporters and Taiwan importers

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The Standards Division (First Division) of the Bureau of Standards, Metrology and Inspection (BSMI) is responsible for drafting standards policies and regulations. This division consists of four sections, with the First Section responsible for general standardization activities including the drafting of regulations, guidance, harmonization planning, administration of the CNS mark, compilation of the standards gazette, and promotion of national standards. The remaining three sections are each responsible for standards in specific industry sectors.

In addition, there are four standards-related institutions under BSMI involved in the development and promotion of Chinese National Standards. These are the National Standards Review Council, the Information & Communication National Standard Promotion Committee, the National Standards Technology Committees, and the Electronic Information Exchange Committee.

BSMI issues plans for standards development semi-annually. These plans are published in the National Gazette and filed with the WTO Secretariat in accordance with the TBT agreement.

BSMI has established an on-line system for the public to obtain Chinese National Standards information (http://www.bsmi.gov.tw/). The website also provides access to updated standards gazettes.

NIST Notify U.S. Service
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

Conformity Assessment

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The Sixth Division of BSMI is in charge of testing and inspection methods. This division currently conducts testing in areas including electromagnetic compatibility (EMC), biochemistry, chemistry, polymers, materials, electrical engineering, and mechanical engineering. Goods with 1,065 CC codes including industrial, chemical, mechanical and electronics products, and more than 1,800 agricultural, food and fishery products are subject to inspection. Testing of commodities can only be done by BSMI or testing laboratories recognized by the BSMI.

Taiwan's testing system is called the "Registration of Product Certification" (RPC). Under the testing system, products are subject to the appropriate conformity assessment modules as determined by the authorities. The conformity assessment modules cover both the design and production phases of product manufacturing. The Declaration of Conformity (DoC) is the least-trade-restrictive conformity assessment procedure, and is currently applied only to low-risk products with stable manufacturing technology and few concerns of risk or danger. Under the DoC scheme, manufacturers may have testing done by BSMI designated laboratories, prepare their own technical documents, and draft the declaration of conformity themselves.

Currently, a total of 52 commodities are covered by the DoC system. These products include digital cameras, digital video cameras, typewriters, cash registers, electronic calculators, card punching machines, optical disc devices, data storage units, class B main boards of computers, add-on cards with I/O devices, and vulcanized rubber tubes. A complete list of national testing organizations or conformity assessment bodies is available on BSMI's website at http://www.bsmi.gov.tw.

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Products specified by the Ministry of Economic Affairs (MOEA) must comply with inspection requirements before they are shipped from the manufacturing premises or imported and placed on the market. Manufacturers or importers of these products must apply to BSMI for inspection before shipment or importation. Beginning on January 1, 2004, BSMI adopted a dual-track approach to allow manufacturers or importers to choose the "Registration of Product Certification" (RPC) scheme or a Batch-by-Batch inspection (BBI) with Type Approval.

The RPC scheme encompasses requirements for the product design stage (type testing) and manufacturing stage (quality management system). In other words while applying for the RPC both the product design and manufacturing processes must still conform to the requirements specified by BSMI. With the RPC certificate, domestic manufacturers may ship their products, and importers may proceed directly with customs clearance.

Importers or firms having small numbers of products for sale in the domestic market may find the BBI with Type Approval approach easier. According to BSMI, upon approval of the sample product, the random inspection rate is about 10 percent. Taiwan's safety regulations follow IEC and CNS standards. All safety testing for end products must be done in Taiwan by Taiwan-accredited laboratories. The UL safety certification alone is not considered sufficient to meet Taiwan requirements for end product safety certification. Home appliances, certain fire-fighting products, electrical power distribution devices (including cables and switches), lighting products for in-door use and motors require safety testing or inspection in Taiwan.

To enhance the protection of consumers from hazards posed by telecommunications and electrical and electronics products, and to meet international requirements for electromagnetic compatibility (EMC), BSMI has promulgated "Regulations Governing Electromagnetic Compatibility of Commodities." Manufacturers or importers must obtain type approval of their products from BSMI and all products must apply for inspection based on the EMC type approval certificate. Currently, 246 products are subject to EMC inspection, of which 133 are electrical items, and 113 are electronic products.

There is currently an Electromagnetic Compatibility (EMC) Mutual Recognition Agreement (MRA) between the United States and Taiwan covering information technology products. In accordance with the terms of this MRA, BSMI accepts EMC testing by any laboratory located in the United States and accredited by the National Institute of Standards and Technology (NIST) under the National Voluntary Laboratory

Accreditation Program (NAVLAP). NIST accredited labs outside the U.S. are not accepted by BSMI.

As a result of discussion with NIST in 2009, BSMI now recognizes 99 U.S. Conformity Assessment Bodies (CABs) to conduct product testing as described in the Asia-Pacific Economic Cooperation (APEC) Mutual Recognition Agreement. However, except for EMC, all the other safety related testing required by BSMI must be conducted in Taiwan.

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Taiwan Accreditation Foundation (TAF) is the island's sole body recognized by the Taiwan authorities for the accreditation of conformity assessment against international standards. Under the TAF, the Department of Certification Body Accreditation is responsible for executing and managing the assessment and accreditation of domestic certification bodies for quality management, product and personnel. As for the Department of Laboratory Accreditation, its main mission is to execute and manage the assessment and accreditation of laboratory inspection bodies and proficiency test providers.

Accreditation for labs is conducted on a voluntary basis. At present, TAF provides laboratory accreditation in four major categories -- calibration, testing, civil engineering, and medical – with a total of 32 fields. So far, TAF has accredited over 1,800 laboratories in Taiwan. There are about 47 accredited bodies under TAF engaged in the accreditation of management systems -- which include quality, environmental, occupational health and safety, information security, food safety, and green products management systems -- and about 39 handling accreditation for commodities.

Detailed information about accreditation in Taiwan and a list of accreditation bodies are available on TAF's website: http://www.taftw.org.tw.

Publication of Technical Regulations Return to top

Proposed and final technical regulations are submitted to the MOEA by the BSMI for publication. This information is then published in the National Standards Gazette. In addition to the Gazette, BSMI also publishes several pamphlets to propagate information on standards. These pamphlets include the Catalogue of National Standards Categories, List of CNS Mark Product Items and Directory of CNS Mark Companies, Compilation of Laws & Regulations of Applying for CNS Mark, Q&A on Standards and CNS Mark, and Q&A on Technical Barriers to Trade. BSMI's website (http://www.bsmi.gov.tw) also provides updated information from standards gazettes and on standards regulations.

U.S. entities can provide their comments about local technical regulations or other related issues by contacting the BSMI directly or through the National Enquiry Point under the WTO TBT Agreement in the United States. The BSMI Information Center performs the functions of National Enquiry Point under the WTO TBT Agreement for other countries.

Labeling and Marking

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Taiwan's Commodity Labeling Act, amended on June 25, 2004, stipulates that all labeling shall be made in Chinese and may be supplemented by English or other foreign languages. When an imported commodity is introduced for sale in the domestic market, labeling, instructions, and sales literature written in Chinese must be added to the commodity by the importer. The contents provided in the Chinese language must not be simpler or more condensed than those from the place of origin of the commodity. The name/title and the address of the foreign manufacturer of an imported commodity to be labeled may not be written in the Chinese language.

Where a commodity is introduced for sale in the Taiwan market, the following particulars shall be labeled:

- Name of the commodity;
- Name, telephone number and address of the producer or manufacturer, the place of origin of the commodity, and the name, telephone number, and address of the importer for imported commodity;
- Contents or composition of the commodity;
  - Major components/ingredients or materials.
  - Net weight, volume or quantity, or measurements shall be labeled in statutory measuring units and other measurements may be added when it is deemed necessary.
- Date of manufacture in the Chinese calendar or Gregorian calendar; the expiration date or the term of validity if the commodity has a limited duration of storage; and other particulars as required by the Central Taiwan authorities.

If any of the following conditions apply, the scope of application, date of expiration, methods of use and storage of the commodity, and other points requiring attention must be indicated:

- Hazardous or dangerous in nature;
- Related to health and safety; and
- Having special characteristics or requiring special handling.

Contacts

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For more information about standards related issues, please contact the following relevant organizations:

Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs
No. 4 JiNan Rd., Sec. 1, Taipei 100, Taiwan
Tel: 886-2-2343-1700
Fax: 886-2-2356-0998
Website: http://www.bsmi.gov.tw
Taiwan Accreditation Foundation
8F, No. 20 Nan-Hai Road, Taipei 10074, Taiwan
Tel: 886-2-2391-4626
Fax: 886-2-2397-1744
Website: http://www.taftw.org.tw

Ministry of Economic Affairs
No. 15 Fuzhou St., Taipei 10015, Taiwan
Tel: 886-2-2341-4986
Fax: 886-2-2391-9973
Website: http://gcis.nat.gov.tw

Trade Agreements Return to top

Taiwan joined the WTO on January 1, 2002. Taiwan became a member of the Asia Pacific Economic Cooperation (APEC) in November 1991, and joined the Central American Bank for Economic Integration in 1992. Taiwan is also a member of the Asian Development Bank (ADB), the Pacific Economic Cooperation Council (PECC), and the Pacific Basin Economic Council (PBEC). In 2010, the Taiwan authorities signed the Cross Straits Economic Cooperation Framework Agreement (ECFA) with mainland China. Additionally, Taiwan signed a free trade agreement with New Zealand (December 1, 2013), and the Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership (ASTEP, November 7, 2013).Taiwan also maintains free trade agreements with Panama, Guatemala, Nicaragua, El Salvador, and Honduras.

Further information about Taiwan's bilateral and multilateral trade agreements is available on the Board of Foreign Trade's (BOFT) website: http://www.trade.gov.tw/English/.

Web Resources Return to top

Board of Foreign Trade, Ministry of Economic Affairs (MOEA): http://www.trade.gov.tw

Department of Customs Administration, Ministry of Finance (MOF): http://eweb.customs.gov.tw/mp.asp?mp=21

Directorate General of Customs, MOF: http://www.customs.gov.tw

Bureau of Standards, Metrology and Inspection, MOEA: http://www.bsmi.gov.tw

Department of Commerce, MOEA: http://gcis.nat.gov.tw

Taiwan Accreditation Foundation: http://www.taftw.org.tw

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Chapter 6: Investment Climate

Openness to Foreign Investment

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Strategically located between Northeast and Southeast Asia, Taiwan is an important hub for regional and global trade and investment, especially in the high-technology industry. Indicative of its developed and open investment environment, Taiwan ranks in the upper tenth percentile of major global indices measuring ease of doing business, economic freedom, and competitiveness. Taiwan's investment climate has improved in recent years with expanded cross-Strait trade with mainland China and expansion of trade links with other partners in the Asia Pacific region, as well as reforms to enhance protection of intellectual property rights and rationalize other investment-related regulations. As a relatively open and liberal economy, Taiwan has historically benefited from substantial foreign direct investment, with a total stock of US$126 billion in approved investment as of 2014. Last year saw better than expected GDP growth of 3.74%, mainly attributable to a rise in private consumption and exports. The U.S.-Taiwan investment relationship remains mutually beneficial with ample room to grow. The United States is Taiwan's largest source of foreign investment, with the stock of committed U.S. foreign direct investment reaching $16.9 billion in 2013, and U.S. private commercial services export to Taiwan totaled over $11.8 billion in 2013.

Remaining structural challenges in Taiwan's investment environment include stalled progress on privatization of Taiwan's state-owned enterprises, which exert considerable influence in the utilities, aerospace, energy, postal, transportation, and financial and real estate sectors. Foreign ownership limits remain in place for wireless and fixed-line telecommunications, television broadcast, and transportation. Restrictions on investments from mainland China in some sectors have been relaxed as cross-Strait ties have improved. The Central Bank retains a currency convertibility policy in which it reserves te right to require large transactions that could impact the foreign exchange market to be scheduled over several days.

Aiming to promote Taiwan as a regional financial hub, Taiwan's Financial Supervisory Commission (FSC) adopted a series of liberalization measures in 2014, including liberalization of financial firms' overseas investments and expansion of overseas business units. Proposed amendments to investment-related statutes, currently pending legislative approval, would clarify review criteria for merger and acquisition transactions and subject fewer investment applications to mandatory regulatory review. In January 2014, the current administration announced Taiwan's intent to undertake significant liberalization to prepare Taiwan for potential entry into regional trade blocs, which included a review of longstanding gaps in intellectual property protection for pharmaceuticals. The results of this review process and Taiwan's ability to legislate recommended reforms are expected to be the primary determinants of the quality of Taiwan's investment environment going forward.

Attitude toward Foreign Direct Investment

Strategically located between North and Southeast Asia, Taiwan is a critical hub for regional and global trade and investment. Expanded cross-Strait trade with mainland China through the Economic Cooperation Framework Agreement (ECFA) signed in 2010 improved Taiwan's investment climate by reducing some tariffs and other commercial barriers. In 2014, inward foreign direct investment (FDI) increased by 17.0% after posting a decline of 11.2% in 2013. Taiwan's science and industrial parks, export processing zones, and free trade zones aim to expand trade and investment opportunities by granting tax incentives, tariff exemptions, low-interest loans, and other favorable terms. Taiwan's economic performance over the past year improved as a result of a rise in domestic consumption and increased demand from the United States. GDP growth in 2014 was 3.74%, up from 2.23% in 2013. In its Doing Business 2015 report, the World Bank ranked Taiwan 19th out of 189 economies for "Ease of Doing Business", down from 16th in 2014, while its Heritage Economic Freedom ranking rose three notches to 14th place.

Taiwan maintains a "negative" list of industries closed to foreign investment for reasons its authorities assert relate to security and environmental protection, including public utilities, power distribution, natural gas, postal service, telecommunications, mass media, and air and sea transportation. These sectors constitute less than 1% of manufacturing in Taiwan and less than 5% of the island's service sector. Railway transport, freight transport by small trucks, pesticide manufacture, real estate development, brokerage, leasing, and trading are all open to foreign investment.

Other Investment Policy Reviews

A WTO review of the trade policies and practices of Taiwan (as Chinese Taipei) took place September 16-18, 2014. Related reports and recommendations are available at the following link:

https://www.wto.org/english/tratop_e/tpr_e/tp402_e.htm

Laws/Regulations of Foreign Direct Investment

Regulations governing foreign direct investment principally derive from the Statute for Investment by Foreign Nationals (SIFN) and the Statute for Investment by Overseas Chinese (SIOC). These two laws permit foreign investors to transact either in foreign currency or the New Taiwan Dollar (NTD). Since 2006, NTD loans obtained from local banks can serve as sources of foreign direct investment. Both the SIFN and the SIOC specify that foreign-invested enterprises must receive the same regulatory treatment accorded local firms. Foreign companies may invest in state-owned firms undergoing privatization and are eligible to participate in publicly-financed research and development programs. In late 2012, in pursuit of greater economic liberalization, the Executive Yuan passed preliminary amendments to SIFN and SIOC, which are currently under the review by Taiwan's Legislative Yuan. If passed, foreign investors would no longer need to secure pre-approval but could instead report the investment to the Investment Commission (IC) of the Ministry of Economic Affairs (MOEA) within a certain period of time after implementation, as long as the investment falls under a certain threshold. However, ex ante approval would still be required for investments in restricted industries and those exceeding the threshold.

Limits on Foreign Control

While most foreign ownership limits have been removed, the foreign ownership limit on wireless and fixed line telecommunications firms is 60%, including a foreign direct investment limit of 49%. State-owned Chunghwa Telecom Co., which controls 97% of the fixed line telecom market, maintains a 55% limit on indirect foreign investment and a 49% limit on direct foreign investment. There is a 20% limit on foreign direct investment in cable television broadcast services, but foreign ownership of up to 60% is allowed through indirect investment via a Taiwan entity. Foreign investors, in this manner, control one of Taiwan's five largest cable TV networks. In addition, there is a foreign ownership limit of 49.99% for satellite television broadcasting services and piped distribution of natural gas, and a 49% limit for high-speed rail service. The foreign ownership cap on ground-handling firms, air-catering companies, aviation transportation businesses (airlines), and general aviation business (commercial helicopters and business jet planes) is less than 50%, with a separate limit of 25% for any single foreign investor. For Taiwan-flagged merchant ships, foreign investment is limited to 50% for Taiwan shipping companies operating international routes.

Regulations governing foreign direct investment principally derive from the Statute for Investment by Foreign Nationals (SIFN) and the Statute for Investment by Overseas Chinese (SIOC). These two laws permit foreign investors to transact either in foreign currency or the New Taiwan Dollar (NTD). Since 2006, NTD loans obtained from local banks can serve as sources of foreign direct investment. Both the SIFN and the SIOC specify that foreign-invested enterprises must receive the same regulatory treatment accorded local firms. Foreign companies may invest in state-owned firms undergoing privatization and are eligible to participate in publicly-financed research and development programs. In late 2012, in pursuit of greater economic liberalization, the Executive Yuan passed preliminary amendments to SIFN and SIOC, which are currently under the review by Taiwan's Legislative Yuan. If passed, foreign investors would no

longer need to secure pre-approval but could instead report the investment to the Investment Commission (IC) of the Ministry of Economic Affairs (MOEA) within a certain period of time after implementation, as long as the investment falls under a certain threshold. However, ex ante approval would still be required for investments in restricted industries and those exceeding the threshold.

Taiwan has been gradually relaxing restrictions on investments in some sectors from the People’s Republic of China (PRC, or “mainland China”) as cross-Strait relations have improved. Since 2009, Taiwan has eased restrictions on investments from mainland China in three stages. Most of Taiwan's manufacturing industry and half of its services and public construction sectors are now open to mainland investment. However, due to restrictions limiting percentage of ownership, and restrictions on mainland investors' participation in Taiwan business operations, investment liberalization to date has not drawn significant interest from mainland investors. In June 2013, Taiwan signed the cross-Strait Agreement on Trade in Services with mainland China under the ECFA, but legislative review of the Agreement has stalled due to opposition from some lawmakers and some segments of the Taiwan public.

In 2009, Taiwan launched the first phase of opening to mainland Chinese investment. Under its “Regulations Governing Permission for People from the mainland Area to Invest in Taiwan,” Taiwan opened 64 sectors in manufacturing, 117 in services, and 11 in public construction. In order to own shares in a Taiwan company or establish a presence in Taiwan, mainland entities and foreign companies in which mainland entities have over a 30% share must first obtain permission from the interagency Investment Commission (IC) convened by the Ministry of Economic Affairs (MOEA). The Taiwan authorities may prohibit or restrict investment from mainland Chinese enterprises that: (1) have military shareholders or a military purpose; (2) would create a monopoly; (3)would threaten national security, or; (4) would negatively impact domestic economic development, according to the above-cited regulation.

In a second round of cross-Strait investment liberalization, Taiwan announced in 2011 an additional 42 categories, including 25 sectors in manufacturing, 8 in services and 9 in public infrastructure, which would be open for investment from mainland China. The manufacturing categories included medical devices, machinery for making metal products, and petrochemicals. In March 2012, Taiwan announced a third tranche of relaxed restrictions on mainland investments. As a result, Taiwan has opened more than two-thirds of Taiwan's aggregate industrial categories to mainland China investors, with manufacturing prominent on the list, in which 97% of the sector is now open to mainland Chinese capital. In the public construction and service sectors, investment shares open to mainland investors expanded to 51 percent. Mainland Chinese investors, however, continue to be prohibited from serving as a Taiwan company's Chief Executive Officer, although a mainland Chinese board member may retain management control rights of a Taiwan company.

Press reports indicate that in a subsequent fourth round of liberalization of mainland Chinese investment in Taiwan, MOEA plans to remove prohibitions on mainland ownership of controlling stakes in seven key industries, including light emitting diode (LED) displays, integrated circuit assemblies, semiconductor manufacturing equipment, semiconductor packaging and testing, metal cutting tool machines, and solar batteries. MOEA proposes to impose a shareholding ceiling of 50% for mainland Chinese investment in these industries, and retain a mechanism for screening investment applications on a case-by-case basis. As a result of the controversy over the cross-Strait Agreement on Trade in Services, this fourth stage of cross-Strait investment liberalization, which was originally expected to launch in late 2013, has been postponed.

Taiwan expects that investment liberalization measures vis-à-vis mainland China will enhance bilateral cooperation in forming cross-Strait industrial supply chains. As of 2013, Taiwan approved 483 investment applications from mainland China totaling US$864.5 million, with investment in port facilities and banking operations each accounting for 16% of total mainland investment. In the banking industry, there are now three mainland banks (out of four which have qualified) that have established branches in Taiwan.

Screening of FDI

MOEA's IC screens applications for investment, acquisitions, and mergers. Ninety-five percent of projects that are not on the negative list generally obtain approval within three working days, according to the IC website. Specifically, approval of projects with an investment value of less than NT$500 million (US$16.5 million) is generally granted within two working days at the IC division chief level. For investments between NT$500 million and NT$1 billion (US$33 million) that are not on the negative list, approval authority rests with the IC Executive Secretary and normally are also granted within three working days. Approval of investments above NT$1 billion or on the negative list require three weeks, as these investments must be referred to the relevant supervisory ministries and require approval of the IC Chairman or IC Executive Secretary. Investments involving mergers and acquisitions require screening at the monthly meeting of an inter-ministerial commission. To address increased concern over the potential risk of more opening to mainland Chinese investment, since April 2014 Taiwan’s National Security Bureau has participated in every review meeting for foreign investment applications regardless of the nature or size of the investment.

Competition Law

Taiwan's Fair Trade Commission reviews transactions for competition-related concerns.

Investment Trends

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	37 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	19 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	N/A	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	N/A	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

Conversion and Transfer Policies Return to top

Foreign Exchange

There are relatively few restrictions in Taiwan on converting or transferring direct investment funds. Foreign investors with approved investments can readily obtain foreign exchange from a large number of designated banks. The remittance of capital invested in Taiwan must be reported in advance to the IC, but IC approval is not required. Declared earnings, capital gains, dividends, royalties, management fees, and other returns on investments can be repatriated at any time. For large transactions requiring the exchange of NTD into foreign currency that could potentially disrupt Taiwan's foreign exchange market, the Central Bank may require the transaction to be scheduled over several days. There is no written guideline on the size of such transactions, but according to law firms servicing foreign investors, amounts in excess of US$100 million may be affected. Capital movements arising from trade in merchandise and services, as well as from debt servicing, are not restricted. No prior approval is required for movement of foreign currency funds not requiring exchange between NTD and foreign currency. No prior approval is required if the cumulative amount of inward or outward remittances does not exceed the annual limit of US$5 million for an individual or US$50 million for a corporate entity.

Remittance Policies

Total outbound investment may not exceed 40% of an investing company's net worth or paid-in capital (whichever is less), unless it is a professional investment company, the company charter waived the 40% limit, or such investment is approved by shareholders. If the amount of investment exceeds US$50 million, the company must file an application with MOEA's IC. Otherwise, a local company is not required to obtain prior approval for overseas investments, except with respect to investments in mainland China.

Taiwan has relaxed restrictions on direct investment in mainland China. Taiwan investors are permitted to invest in the majority of manufacturing and service categories in the mainland. The IC, however, continues to prohibit investments in mainland China's agricultural, high-technology, telecommunications and basic infrastructure sectors. Taiwan entities are not required to go through a third jurisdiction to make their investments on the mainland. In 2008, authorities raised the annual ceiling on an individual's investment in mainland China from US$2.5 million to US$5 million. The ceiling on small and medium enterprise investment in mainland China is either US$2.5 million or 60% of the investing firm's net worth, whichever is higher. For large enterprises, total investment in mainland China is capped at 60% of net worth. This cap, however, does not apply to foreign subsidiaries in Taiwan. For investments below US$1 million, approval is not required, but investors must report the investment to the IC within six months. For investments between US$1 million and US$50 million, approval can be granted in two weeks. Taiwan authorities require an investor to submit a quarterly financial report if the cumulative investment in a project exceeds US$50 million.

Expropriation and Compensation Return to top

The U.S. Government is not aware of any previous or recent cases of nationalization or expropriation of foreign-invested assets in Taiwan. There are no reports of "creeping expropriation" or official actions tantamount to expropriation. Under Taiwan law, no venture with 45% or more foreign investment can be nationalized, as long as the 45% capital contribution ratio remains unchanged for a period of 20 years after the establishment of the foreign business. Expropriation can be justified only for national defense needs, in which case "reasonable" compensation must be provided.

Dispute Settlement Return to top

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

In part due to its unique political status, Taiwan is not a member of the International Center for the Settlement of Investment Disputes (ICSID), established by the World Bank to provide arbitration and conciliation services for governments and foreign investors. Foreign investment disputes with the Taiwan authorities are not common. Normally, Taiwan resolves disputes according to domestic laws and regulations, and based on national treatment or investment guarantee agreements. Taiwan has implemented investment guaranty agreements with 31 nations, the latest of which were bilateral investment protection agreements signed with Japan in September 2011 and mainland China in August 2012. The 2013 Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Partnership (ASTEP) and Agreement between New Zealand and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu on Economic Cooperation (ANZTEC) included chapters on investment. Taiwan is in the process of negotiating an investment dispute settlement agreement with the mainland under ECFA.

Bankruptcy

Taiwan has comprehensive commercial laws, including the Company Law, Commercial Registration Law, Business Registration Law, and Commercial Accounting Law, as well as laws governing specific industries. Taiwan's Bankruptcy Law guarantees that all creditors have the right to share the assets of a bankrupt debtor on a proportional basis. Secured interests in property are recognized and enforced through a registration system

International Arbitration

The latest version of Taiwan's Arbitration Law, implemented in 1998, sought to bring its arbitration regime into line with international practices. Many provisions in the Arbitration Law are influenced by the Model Law promulgated by the United Nations Commission on International Trade Law (“UNCITRAL Model Law”). The Chinese Arbitration Association, Taipei (the Association) is a non-profit organization established by the Ministry of Interior. The Association has 30 cooperative agreements with other arbitration institutions across the globe. The Association has managed disputes in sectors including construction, maritime, securities, international trade, intellectual property rights (IPR), insurance, cross-strait disputes, and information technology. By agreement, disputants in a case can determine the governing law of the dispute, rules of procedures, language used in proceedings, authority of the arbitrators, place and location of the arbitration, time of the hearing, and extension of the time limit to render the arbitral award, among other factors.

ICSID Convention and New York Convention

Performance Requirements and Incentives

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WTO/TRIMS

Since its accession to the World Trade Organization (WTO) in 2002, Taiwan has discontinued performance requirements. Taiwan does not require foreign firms to transfer technology, locate in specified areas, nor hire a minimum number of local employees as a prerequisite to investment.

Research and Development

Research and development tax credits, equivalent to 15% of total R&D expenditures, are available only to companies incorporated in Taiwan.

Performance Requirements

Taiwan does not currently mandate any performance requirements.

Data Storage

Taiwan does not currently follow any "forced localization" policies related to data storage.

Right to Private Ownership and Establishment

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Private investors in Taiwan have the right to establish and own business enterprises, except in a limited number of industries that authorities deem to bear upon national security and environmental protection. Private entities can freely acquire and dispose of interests in business enterprises. Private firms have the same access as state-owned companies to markets, credit, licenses, and supplies. Taiwan authorities have eliminated most state-owned monopolies, with the exception of some companies in the health insurance, financial, and power and water utility sectors.

Protection of Property Rights

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Real Property

Interests in property are enforced in Taiwan. Taiwan maintains a reliable recording system for mortgages and leins.

Intellectual Property Rights

Taiwan is not a member of the World Intellectual Property Organization (WIPO) but adheres to key international agreements such as the Berne Convention and the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS). Reflecting significant advances in Taiwan's IPR legal regime and enforcement actions, the Office of the U.S. Trade Representative (USTR) removed Taiwan from the Special 301 Watch List in 2009. The United States remains concerned about a number of IPR issues in Taiwan, including online piracy of copyrighted materials, illegal textbook copying on university campuses, end-user piracy of software, signal theft of cable TV, corporate trade secret theft, and limited protections for some types of pharmaceutical patents. The importation and transshipment of counterfeit products mainly from mainland China is a problem. The United States is actively working with the Taiwan authorities to address these issues.

The Pharmaceutical Law, as amended in 2004 and 2007, increased penalties for the production, distribution and sale of counterfeit medicines. The law authorizes pharmaceutical data exclusivity for five years to prevent unfair commercial data use, the same exclusivity period as in the United States for chemical drugs. However, the law currently does not cover new indications nor biological pharmaceuticals. Taiwan does not currently have a Patent Linkage system, resulting in several cases of generic drugs gaining approval and reimbursement despite the existence of a valid patent. In response, in April 2014 Taiwan established a task force to conduct studies on establishing a patent linkage system. Taiwan authorities expect the patent application review period to shorten to less than 22 months in 2016, following the establishment of Patent Service Center in May of 2012 and implementation of Patent Prosecution Highway (PPH) agreements with the United States in 2011, with Japan in 2012, and Spain in 2013, as well as an agreement on the deposit of biological materials with Japan in 2014.

In May 2011, the Legislative Yuan passed an amendment to the Trademark Law, which is modeled after the 2006 "Singapore Treaty on the Law of Trademark." The

amendment retains concordance of Taiwan's trademark law with international standards, and expands IPR protections to trademarked goods by extending the scope of goods eligible for protection, broadening the conditions in which infringement shall be deemed to have occurred, and strengthening customs enforcement mechanisms for trademarked goods. The amendment is designed to increase the protection of well-known trademarks and impose stronger penalties on infringers who sell fake commodities through the Internet and electronic media.
The Ministry of Economic Affairs' Intellectual Property Office (TIPO) and other agencies have adopted programs to protect intellectual property rights. Examples include:

- The Judicial Yuan inaugurated in 2008 an Intellectual Property Court authorized to handle all new civil and administrative intellectual property (IP) litigation, as well as appeals on criminal cases to streamline and improve the quality of judicial procedures in IP cases.
- Taiwan authorities have strengthened cooperation with foreign enforcement agencies, including signing an IP cooperation and protection agreement with mainland China in 2010 to combat Internet-related IPR violations.
- The Ministry of Education (MOE) continues to implement an IPR action plan to combat unauthorized textbook copying and illegal downloads on academic computer networks. January 2014 amendments to the action plan are intended to reinforce internal university control mechanisms and improve awareness of IPR protection.

With respect to trade secret infringement, the Legislative Yuan in January 2013 passed an amendment to the Trade Secrets Law to levy greater penalties for corporate IP theft, including a maximum five-year jail sentence and a NT$50 million (US$1.7 million) fine, with increased penalties -- including up to 10 years imprisonment -- for trade secrets taken to other countries, including mainland China. To improve law enforcement procedures for collecting evidence, the Legislative Yuan in January 2014 passed amendments to the Communications Security and Surveillance Act. The amendments enable investigators and prosecutors to conduct wiretapping in trade secrets infringement cases involving jurisdictions outside Taiwan, such as mainland China. Affected local and foreign firms continue to encourage development of further judicial measures, including through witness protection for trade secrets cases and by shifting the burden of proof to defendants. Amendments in 2014 to the Communications Security and Surveillance Act, Intellectual Property Case Adjudication Act, and Witness Protection Act provided additional tools for trade secrets enforcement, while Taiwan and U.S. industry have pointed to the need for continued strengthening of civil and criminal procedures for evidence protection.

Resources for Rights Holders

Taiwan Intellectual Property Office, MOEA: http://www.tipo.gov.tw

Contact at AIT
Kris Kvols
Economic Officer
+886-2162-2000
TaipeiICS@state.gov

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO’s country profiles at http://www.wipo.int/directory/en/.
Local lawyers list: http://photos.state.gov/libraries/ait-taiwan/171414/acs/listofattorneys11122013.pdf.

Transparency of Regulatory System

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Taiwan has in place comprehensive laws and regulations regarding taxes, labor, health, and safety. In addition to tax incentives, Taiwan’s science and industrial parks and export processing zones present streamlined bureaucratic procedures for the investment application process. Outside of these areas, the MOEA Department of Investment Services (DOIS) functions as the coordinator between investors and all agencies involved in the investment process. The MOEA’s IC is charged with reviewing and approving inbound and outbound investments.

Taiwan has simplified work-permit procedures for foreign “white-collar” employees. The Ministry of Labor issues work permits for all white-collar workers through a single window service portal. Employers can apply on-line for work permits for their foreign employees, which are typically issued within 7 to10 days and may be extended indefinitely as long as the employer considers the employment necessary.

Since January 2012, Taiwan employers are able to hire “blue collar” foreign workers online through a network system designed by the Ministry of Labor. This system is expected to save employers and foreign workers NT$63,000 (US$2,020) in administrative costs and will reduce the hiring process from an average of 3 months to 30 working days. NGOs, however, have argued that complicated procedures and restrictions on use of both the Service Center and the online service have prevented widespread implementation, and they advocate lifting restrictions on transfers between employers. The maximum duration of foreign workers' stay in Taiwan is 12 years.

Foreign white-collar workers are required to hold a bachelor's degree and two years of relevant work experience to enter Taiwan's job market. There are no job experience requirements, however, for foreign management professionals employed in research and development (R&D) centers, international firms’ operations’ headquarters, and firms in designated industries. White-collar workers with a master’s degree or above are not subject to any job experience requirement for employment in Taiwan. Those with lower education levels employed in non-professional or technical positions are required to have relevant job experience. Foreign white collar workers have the right to obtain permanent residence status after they have legally stayed in Taiwan for seven consecutive years, with a minimum time of residence of 180 days per year. The seven-year requirement is waived for high-tech professionals and those who have made "significant contributions" to Taiwan. Blue collar workers have no such rights to obtain permanent residence status automatically after seven years' legal residence.

There are simplified entry-visa issuance procedures for foreign white-collar workers who work for foreign companies. A foreign executive who enters Taiwan with a tourist visa is not required to leave the island in order to convert the tourist visa to an employment visa. Similarly, a foreign executive whose employment visa expires is not required to leave in order to renew the visa.

Efficient Capital Markets and Portfolio Investment Return to top

Taiwan's capital market is mature and active. As of December 2014, 854 companies were listed on the Taiwan Stock Exchange (TSE). In July 2012, despite strong resistance from the business lobby, Taiwan's Legislative Yuan passed amendments to introduce a capital gains tax on the sales of securities, effective January 1, 2013. The ratio of the market value of listed companies to GDP was 167.2% in 2014. The market value of listed companies in Taiwan was US$896.4 billion as of December 2014. The transaction volume of Taiwan's stock market rose from the US$631.4 billion in 2013 to US$730.0 billion in 2014, and the turnover rate in transaction volume slightly increased to 84.61% of 2014 from last year's 82.64%. A wide variety of credit instruments, all allocated on market terms, are available to both domestic- and foreign-invested firms. Legal accounting systems are largely transparent and consistent with international standards. In response to foreign and domestic financial institutions' concerns in recent years about non-transparent private equity transaction reviews by Taiwan's main financial regulatory body, the Financial Supervisory Commission (FSC) has sought to clarify review criteria and enhance transparency through proposed amendments to the Business Mergers and Acquisitions Act, currently pending legislative review. Foreign portfolio investors are not subject to foreign ownership limits except in a limited number of industries. In an aim to promote Taiwan as a regional financial hub, FSC has adopted a series of liberalization measures since late-2013. FSC switched to a negative list approach toward local banks' overseas banking units (OBU) businesses not involving the conversion of the NTD and allowed local securities houses to operate overseas securities units (OSU) businesses. FSC also announced in February 2015 that it will issue 5-10 overseas insurance unit (OIU) licenses in the first half of 2015 to help local insurers expand business to non-resident investors. In addition, in January 2015 Taiwan's legislature passed a third-party payment law which authorizes non-bank companies to engage in third-party payments business, opening the way for a range of new e-commerce business opportunities in Taiwan.

In recent years, Taiwan authorities have taken steps to encourage a more efficient flow of financial resources and credit. The limit on NTD deposits that a branch of a foreign bank may hold has been lifted. Non-residents are permitted to open NTD bank accounts, though they are subject to capital-flow controls which limit each remittance to US$100,000. There are no restrictions on residents opening bank accounts overseas. A freeze on new bank branches, designed to encourage consolidation in the banking industry, was removed in 2007, although both foreign and domestic banks still require case-by-case approval to open new branches. In 2013, the FSC lifted a previous requirement that foreign banks merge branch operations into newly opened subsidiaries, thereby allowing them keep both branch and subsidiary operations in Taiwan. Restrictions on capital flows relating to portfolio investment have also been removed. The banking, insurance and securities industries have been liberalized to a certain extent and are open to foreign investment. Since 2012, mainland Chinese banks have been allowed to acquire stakes of Taiwan banks, with a 10% ceiling on total mainland investment in a given Taiwan financial institution. Foreign institutional investors currently are allowed to enter Taiwan's market without restrictions. There is no minimum asset requirement. On-shore foreign investors are subject to annual capital flow limits of US$5 million for an individual foreign investor and US$50 million for an unregistered foreign company.

Money and Banking System, Hostile Takeovers

Taiwan has removed legal limits on foreign ownership in most companies listed on the TSE, with the exception of public utilities, power distribution, natural gas, postal service, telecommunications, mass media firms, and air and sea transportation industries. There have been no reports of private or official efforts to restrict the participation of foreign-invested firms in industry standards-setting consortia or organizations.

Since the mid-1980s, the financial sector has been steadily opening to private investment, although Taiwan continues to tightly regulate its banking system. The market share held by foreign banks was relatively small until 5 foreign banks and 3 foreign private equity funds completed their acquisitions of Taiwan banks in 2007 and 2008. Over the past decade, 9 state-owned banks have been privatized. The only Taiwan-based reinsurance company was privatized in 2002. Banks that have some form of state ownership or control, including the 3 remaining banks wholly owned by the state, dominate Taiwan's banking sector and hold a market share of nearly 50.4% as of December 2014.

Competition from State Owned Enterprises

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Taiwan launched privatization programs in 1989 and succeeded in turning over most of its state-owned enterprises (SOEs) to private industries. As of December 2012, Taiwan authorities still controlled 19 SOEs, including official agencies such as the Central Bank, the Bureau of National Health Insurance, and the Export-Import Bank of the ROC, which have no private-sector competitors.

Progress toward privatizing some of the remaining SOEs has stalled since 2007, largely due to opposition from SOE employees. Currently, there is no timetable for privatizing existing SOEs. While limited in number, some of Taiwan's SOEs are large in scale and exert significant influence in their industries. Examples include monopolies such as Taiwan Power Company (Taipower) and Taiwan Water Co., as well as the island's only aerospace product manufacturer, Aerospace Industrial Development Co. (AIDC), and industry giants Chinese Petroleum Co. (CPC), Taiwan Tobacco & Liquor Co., Chunghwa Post Company, Taiwan Sugar Co., Taiwan Railways Administration, Taiwan Financial Holdings, and the Taiwan Land Bank. CPC controls over 70% of Taiwan's gasoline retail market. With the exception of the state monopolies, SOEs compete directly with private companies.

SOEs typically have an independent board of directors, and senior management is not required to report directly to a line minister or consult with authorities before making business decisions, except in rare cases. The authorities, however, can appoint officials to serve in a certain number of board member positions.

The Taiwan authorities hold minority shares and exert some control over some former SOEs that have been privatized, including through managing appointments to the board of directors. These enterprises include Chunghwa Telecom, China Steel, Taiwan Fertilizer Co., Taiyen (Taiwan Salt), China Shipbuilding Co., Yang Ming Marine Transportation Co., as well as some financial institutions.

The Bank of Taiwan, one of Taiwan Financial Holdings Group's wholly-owned companies, is the island's largest bank in terms of assets. As of 2014, Taiwan's four largest banks, which are either wholly government-owned or government-controlled banks, accounted for 29% of Taiwan's domestic banks' total assets. Most of these state-affiliated banks are large in scale compared to the purely private financial institutions, and some have been underperforming. In the third quarter of 2014, for example, the return on assets (ROA) for Bank of Taiwan was 0.23%, lower than the domestic banks' average ROA of 0.79%, according to statistics from the Central Bank.

Taiwan has neither a sovereign wealth fund nor an asset management bureau, but has a Labor Pension Fund Supervisory Committee that oversees contracted private managers of labor insurance and pension funds.

OECD Guidelines on Corporate Governance of SOEs

Taiwan is not a member of the OECD.

Sovereign Wealth Funds

Taiwan does not currently operate a sovereign wealth fund.

Corporate Social Responsibility

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The Taiwan authorities actively promote responsible business conduct (RBC). MOEA and FSC have issued guidelines on ethical standards and internal control mechanisms in order to help businesses embrace responsibility for the impact of their activities on the environment, consumers, employees, and communities. MOEA maintains an online newsletter to publicize best practices and raise awareness of the latest RBC-related developments in Taiwan and abroad.

At the corporate level, foreign and local enterprises endeavor to follow accepted RBC principles such as those propagated in the Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises. Taiwan businesses, especially high-tech electronics companies, increasingly publish RBC reports. Global Views Magazine, one of Taiwan's most influential magazines, annually gives a Corporate Social Responsibility award to highlight companies that follow internationally accepted RBC standards and adopt transparent, environmentally conscious, and socially responsible practices. The award in 2014 went to domestic (Taiwan) firms Delta Electronics Inc., Taiwan Semiconductor Manufacturing Company Inc., Lite-On Technology Corporation, Chinatrust Financial Holdings Co., E-Sun Financial Holding Co., and Fubon Financial Holding Co; foreign recipients in 2014 included DHL, Citibank, Microsoft, and IBM.

OECD Guidelines for Multinational Enterprises

At the corporate level, foreign and local enterprises endeavor to follow accepted RBC principles such as those propagated in the Organization for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises.

Political Violence

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Taiwan is a relatively young and vibrant multi-party democracy. President Ma Ying-jeou's second election victory in 2012 marked another peaceful, democratic transition in Taiwan. There have been no reports of politically motivated damage to foreign investment. In some instances, local and foreign companies have been the target of peaceful protests and demonstrations relating to labor disputes and environmental issues.

Corruption

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Taiwan has implemented laws, regulations, and penalties to combat corruption. The Corruption Punishment Statute and Criminal Code contain specific penalties for corrupt activities, including maximum jail sentences of life in prison and a maximum fine of up to NT$100 million (US$3.3 million).

In November 2011, the Legislative Yuan passed amendments to the Anti-Corruption Act that expanded the scope of activities it covered and increased penalties for public officials who fail to explain the origins of suspicious assets or property. Based on the revised act, public servants suspected of corruption are required to declare the origins of their assets if an increase in their assets is disproportionate to an increase in their income in the three years following the allegations. If defendants refuse to offer an explanation, or if the explanation proves to be false and the defendants are found guilty of corruption, they face a jail sentence of up to five years or a fine of no more than the value of the assets of undeclared origin, or both.

The U.S. Government is not aware of cases where bribes have been solicited for foreign investment approval.

Taiwan formally became a member of the WTO Agreement on Government Procurement (GPA) in 2009. The Public Construction Commission (PCC) publishes all state procurement projects that require open bidding, in accordance with WTO transparency requirements. According to PCC statistics, there were 187,819 government-procurement contracts with total value of NTD 1,136 billion (USD 37.41 billion) in 2014. Among them, 2,442 contracts were WTO-GPA covered, valued at NTD 187.4 billion (about USD 6.17 billion), of which 417 were awarded to foreign suppliers. Following rezoning in 2010 to create five special municipalities -- Taipei City, New Taipei City, Taichung City, Tainan City and Kaohsiung City -- and a revised GPA implemented in December 2011, Taiwan has expanded coverage to the new entities.

The Legislative Yuan in January 2011 passed the following additional amendments to the Government Procurement Act : (1) Procurements of technology, information, and professional services can be based on quality (i.e., the most advantageous bids), rather than price; (2) A GP data bank containing a list of individual prices of awarded construction tenders exceeding NT$10 million (US$331,400); and (3) Procurement agencies are required to use model contracts provided by PCC to reduce potential disputes.

The PCC organizes inspection teams to monitor all public procurement projects both at the central and local levels, and publishes the bidding and inspection results. A task force comprised of PCC staff and independent experts investigates complaints. The authorities generally investigate allegations of corruption and take action to penalize corrupt officials.

Attempting to bribe or accepting a bribe from Taiwan officials constitutes a criminal offense, punishable under the Corruption Punishment Statute and the Criminal Code. The Corruption Punishment Statute also treats payment of a bribe to a foreign official as a crime and makes such a bribe subject to criminal prosecution. The maximum penalty for a public official receiving a bribe is life imprisonment or a maximum fine of NT$100 million (US$3.3 million). For those attempting to bribe officials, the maximum penalty is 7 years in prison and a fine of NT$3 million (US$99,400). In addition, the offender will be barred from holding public office. The assets obtained from acts of corruption are seized and turned over to either the injured parties or the Treasury.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

OECD Anti-bribery Convention: Taiwan is not a party to the OECD Convention. (see http://www.oecd.org/dataoecd/59/13/40272933.pdf).

UN Convention: Taiwan is not a party to the UN Convention. (see: http://www.unodc.org/unodc/en/treaties/CAC/signatories.html).

Resources to Report Corruption

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: http://www.justice.gov/criminal/fraud/fcpa

Information about the OECD Anti-bribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html.

See also new Anti-bribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/dataoecd/11/40/44176910.pdf.

General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009.

TI also publishes an annual Global Corruption Report which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/publications/gcr.

The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/sc_country.asp.

The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: http://go.worldbank.org/RQQXYJ6210.

The World Economic Forum publishes the Global Enabling Trade Report, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.html.

Additional country information related to corruption can be found in the U.S. State Department's annual Human Rights Report available at http://www.state.gov/g/drl/rls/hrrpt.

Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: http://www.report.globalintegrity.org.

Bilateral Investment Agreements

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Bilateral Taxation Treaties

Taiwan has concluded various forms of investment agreements with the following 32 countries: Argentina, Belize, Burkina Faso, mainland China, Costa Rica, Dominica, El Salvador, Gambia, Guatemala, Honduras, India, Indonesia, Japan, Liberia, Malaysia, Macedonia, Malawi, the Marshall Islands, Nicaragua, Nigeria, Panama, Paraguay, the Philippines, Saudi Arabia, Senegal, Singapore, St. Vincent, Swaziland, Thailand, the United States, Vietnam and New Zealand.

Under the Taiwan Relations Act, the terms of the 1948 Friendship, Commerce, and Navigation Treaty between the Republic of China and the United States remain in force. Under its terms, U.S. investors are generally accorded national treatment and are provided with a number of protections, including protection against expropriation. Taiwan and the United States also have an agreement pertaining to investment guarantees that serve as the basis for the U.S. Overseas Private Investment Corporation (OPIC) to do business in Taiwan. The agreement, signed in 1952, is called the "Agreement Dealing with Guaranty of American Investment of Private Capital in Taiwan." There are not currently any active OPIC projects in Taiwan.

Representatives of the United States and Taiwan signed a Trade and Investment Framework Agreement (TIFA) in 1994 to serve as the basis for consultations on trade and investment issues. After TIFA discussions were suspended in 2007 in response to Taiwan policies affecting U.S. beef imports, the resumption of TIFA talks in 2013 produced numerous results, including new joint statements on investment principles and information and communication technology (ICT) services, and the launch of new TIFA working groups on investment and technical barriers to trade. The April 2014 TIFA Council meeting welcomed steps by Taiwan authorities to improve trade secrets protection, address pharmaceutical issues, clarify investment criteria, lift data localization requirements in the financial sector, and to revise standards affecting U.S. market access, while also highlighting the need for more meaningful progress on long-standing agricultural trade issues and intellectual property protection.

OPIC and Other Investment Insurance Programs

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OPIC programs are available to U.S. investors, though U.S. investors have never filed an OPIC insurance claim for an investment in Taiwan. Taiwan is not a member of the Multilateral Investment Guaranty Agency. The OPIC project listing does not including any active projects in Taiwan since FY 1992, the earliest year for which data is available.

Labor

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Benefiting from the recovery in the global economy, Taiwan's unemployment rate continued to decline to 3.96% in 2014, down slightly from 4.18% in the previous year. In the industrial sector, the number of blue-collar foreign workers increased from 278,919 in 2013 to 331,585 as of 2014. There are no special hiring practices in Taiwan. Employees are typically paid at least a one-month bonus at the end of the lunar calendar year (January or February). Benefits often include meals, transportation, and dormitory housing or related allowances. A standard labor insurance program is mandatory. The program provides paid maternity leave, a lump-sum or annuity retirement plan, and other benefits. A new retirement system implemented in 2005 replaced a voluntary retirement scheme that still covers approximately 30% of the total labor force and, under the standard labor law, permits retirement at age 55 with 15 years of service. Employees hired after July 2005 must join the new system, which sets mandatory retirement at age 65. The new system also requires the employer to contribute six percent of an employee's monthly wage to accounts at designated banking institutions. The accounts follow the employees as they move from one employer to another. A universal national health insurance system, to which employers must contribute, covers all Taiwan residents.

Taiwan provides unemployment relief based on the Employment Insurance Law enacted in 2002. Alternatives for unemployment pay include a vocational training allowance for jobless persons and employment subsidies to encourage the hiring of jobless persons. The Labor Standards Law (LSL) sets a standard eight-hour workday and a biweekly maximum of 84 hours. The public sector and most private firms have a five-day workweek. The LSL restricts child labor and requires employers to provide overtime pay, severance pay, and retirement benefits. The LSL covers both manufacturing and service sectors. Violators are liable to criminal penalties (jail terms) and administrative punishments (fines).

Beginning January 1, 2013, Taiwan's minimum monthly salary increased NT$267 (or 1.4%) to NT$19,047 (US$657 at exchange rate of NT$29.1 per U.S. dollar), and the minimum hourly wage rose NT$6 to NT$109 (US$3.76). Monthly manufacturing sector wages in the first nine months of 2012 averaged NT$45,089 (US$1,554) including overtime, allowances, and bonuses -- a 0.5% increase compared to the same period in 2011.

Labor unions have become more active and independent since Taiwan’s martial law was lifted in 1987. Mergers and acquisitions (M&A), factory closures, and the new retirement system contributed to an increased trend in labor disputes over the past decade. Taiwan is not a member of the International Labor Organization (ILO) but adheres to the ILO core conventions in the protection of workers’ rights.

Foreign-Trade Zones/Free Ports

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The first free trade/free port zone began operation in 2004 at Keelung, Taiwan's northern port. Another four were established in 2005 at Taoyuan International Airport, and the international harbors in Kaohsiung, Taichung, and Taipei. In May 2010 and August 2013, the Executive Yuan approved the free-trade zone at the Suao Port and one at Anping port respectively, making a total of seven free trade zones in Taiwan. The Taiwan authorities have relaxed restrictions on the movement of merchandise, capital, and personnel into and out of these zones.

As part of a broader restructuring and to increase the competitiveness of Taiwan's ports, the Ministry of Transportation and Communications (MOTC) established the Taiwan International Ports Corp. (TIPC) on March 1, 2012, to manage commercial activities of Taiwan's ports and free trade zones. The TIPC will facilitate cooperation with foreign shipping operations and related businesses.

On December 14, 2012, the Legislative Yuan approved the amendment of the Act for the Establishment and Management of Free Trade Zones, which would exempt London Metal Exchange (LME)-certified non-ferrous metals at Taiwan's free trade zones from income tax through 2042. On June 18, 2013, the LME board approved Kaohsiung Port as a LME delivery port of primary aluminum, aluminum alloy, copper, lead, nickel, tin, and zinc.

Foreign Direct Investment Statistics

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Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		**USG or international statistical source**		**USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other**
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2014	$529,580	2014 IMF WEO data	$529,550	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**

U.S. FDI in partner country ($M USD, stock positions)	2014	$23,499	2013	$16,905	BEA data available 3/19/14 at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States ($M USD, stock positions)	2014	$13,846	2013	$6,420	BEA data available 3/19/14 at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2014	25%	2013	13%	UNCTAD

Investment Commission, Ministry of Economic Affairs, Taiwan. Taiwan data were based on approved investment and did not take account of deinvestment.

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	Amount	100%	Total Outward	Amount	100%
Country #1	Amount	X%	Country #1	Amount	X%
Country #2	Amount	X%	Country #2	Amount	X%
Country #3	Amount	X%	Country #3	Amount	X%
Country #4	Amount	X%	Country #4	Amount	X%
Country #5	Amount	X%	Country #5	Amount	X%
"0" reflects amounts rounded to +/- USD 500,000.					

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			**Equity Securities**			**Total Debt Securities**		
All Countries	Amount	100%	All Countries	Amount	100%	All Countries	Amount	100%

Country #1	Amount	X%	Country #1	Amount	X%	Country #1	Amount	X%
Country #2	Amount	X%	Country #2	Amount	X%	Country #2	Amount	X%
Country #3	Amount	X%	Country #3	Amount	X%	Country #3	Amount	X%
Country #4	Amount	X%	Country #4	Amount	X%	Country #4	Amount	X%
Country #5	Amount	X%	Country #5	Amount	X%	Country #5	Amount	X%

Contact Point at Post

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Web Resources:

- Commerce Department of the Ministry of Economic Affairs (MOEA): http://www.moea.gov.tw
- Bureau of Foreign Trade, MOEA: http://www.trade.gov.tw
- Department of Investment Services, MOEA: http://www.dois.moea.gov.tw
- Investment Commission, MOEA: http://www.moeaic.gov.tw
- Taiwan Intellectual Property Office, MOEA: http://www.tipo.gov.tw
- Council of Labor Affairs, Executive Yuan: http://www.cla.gov.tw

Contact Point at Post for Public Inquiries

Kris Kvols
Economic Officer
No.7, Ln. 134, Sec. 3, Xinyi Rd., Da-an Dist., Taipei City 106-59.
+886-2162-2000
TaipeiICS@state.gov

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Chapter 7: Trade and Project Financing

How Do I Get Paid (Methods of Payment) Return to top

There are four common methods of international payment: cash in advance, letters of credit (L/C), documentary collections, such as documents against payment (D/P) and documents against acceptance (D/A), and open account (O/A). Cash in advance terms are generally used in new relationships where transactions are small and the buyer has no choice but to pre-pay. Bank-to-bank letters of credit (L/C) are the most common form of international payment because they provide a high degree of protection for both the seller and the buyer. D/P and D/A terms are commonly used in ongoing relationships and provide a measure of protection for both the seller and the buyer. Open account (O/A) is used only when the seller has significant trust and faith in the buyer's ability and willingness to pay once the goods have been shipped. O/A terms give maximum security to the buyer and greatest risk to the seller.

AIT's Commercial Section recommends that U.S. exporters minimize financial risk by requiring their Taiwan trading partners to finance their imports through L/Cs. A large majority of Taiwan's importers utilize L/Cs with validity of up to 180 days. On the whole, U.S. companies find Taiwan's trade finance system to be efficient and report no widespread pattern of deferred payment.

Banks authorized to handle foreign exchange may issue L/Cs. This includes all 40 local banks (and their branch offices), six U.S. banks and their branches, and 22 third-country banks. All banks in Taiwan that are authorized to handle foreign exchange have correspondent relations with one or more U.S. banks.

How Does the Banking System Operate Return to top

As of March 2015, Taiwan has a Central Bank, 40 domestic banks (with 3,442 branch offices), and 30 foreign banks (with 38 branch offices). In addition, there are 23 credit cooperatives, 281 farmers' credit unions, and 25 fishermen's credit unions. These banks, cooperatives, and credit unions have traditionally played a dominant role in finance on the island.

The Central Bank performs all of the functions normally associated with central banks in other markets. It issues currency, manages foreign-exchange reserves, handles treasury receipts and disbursements, sets interest-rate policy, oversees the operations of local financial institutions, and serves as a lender of last resort.

Taiwan's domestic banks offer a wide range of services – receiving deposits, making loans, handling trade financing and providing guarantees, and discounting bills and notes. Most are also involved in the securities business, in underwriting and trading securities and managing bond and debenture issues, as well as in providing savings-account facilities. The Mega International Commercial Bank assists with long-term financing for industries and projects, while the Export-Import Bank of the Republic of China and the Farmers Bank focus on trade financing and agricultural development, respectively.

Foreign banking institutions have played an important role on the financial scene. Foreign banks are essentially treated like domestic commercial banks; they are permitted to engage in trade financing, foreign-exchange dealings, private and corporate lending, and various kinds of trust businesses. In order to build a greater overall market presence, many foreign banking institutions also concentrate on the development of consumer loan and credit card services.

Foreign-Exchange Controls

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There are no foreign exchange (FX) limitations for trade, insurance, and authorized investment transactions. Similarly, there are no FX limitations on repatriating capital and profits related to direct and portfolio investment, provided that such investment has been permitted or approved by Taiwan authorities. There are no limitations on inward and outward remittances not involving any exchange between the NT$ and the foreign currency. All other inward or outward remittances for business firms are subject to a US$50 million annual ceiling per account if such remittances involve exchange between the NT$ and the foreign currency. Individuals are allowed to remit a maximum of US$5 million yearly to or from overseas if such remittance involves exchange between the NT$ and the foreign currency. Any remittance above these amounts for firms and individuals requires approval. Any single transaction of less than US$100,000 by a non-resident may proceed directly through authorized banks, however, there is a reporting requirement for each foreign transaction involving NT dollars that exceeds TWD 500,000. Once a foreign investor is registered on the Taiwan Stock Exchange Corporation, that investor is free to choose any authorized foreign exchange bank to conduct foreign exchange transactions.

U.S. Banks and Local Correspondent Banks

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U.S. Commercial Banks Operating in Taiwan

Bank of America
CEO: Wayne Liaw
43 and 48F, No. 7 Xin Yi Rd., Sec. 5 Taipei, Taiwan
Tel: 886-2-8101-1288
Fax: 886-2-8101-1130
http://www.bankofamerica.com

Citibank N.A.
Branch Manager: Audrey Chen
15F, No. 1, Song Zhi Road
Taipei, Taiwan
Tel: 886-2-8726-9821
Fax: 886-2-8786-7980
http://www.citibank.com.tw

JPMorgan Chase Bank, N.A.
Senior Country Officer: Carl K. Chien
8F, No. 106 XinYi Rd., Sec. 5
Taipei, Taiwan
Tel: 886-2-2725-9800
Fax: 886-2-2725-2988
http://www.jpmorganchase.com

State Street Bank & Trust Company
Senior Vice President: Ilona Chen
19F, No. 207 DunHua S. Rd., Sec. 2, Taipei, Taiwan
Tel: 886-2-2735-1200
Fax: 886-2-2735-1012
http://www.statestreet.com

The Bank of New York Mellon
General Manager: Nadia Chen
4F, No. 245 Dun Hwa S. Rd., Sec. 1 Taipei, Taiwan
Tel: 886-2-2771-6612
Fax: 886-2-2771-2640
http://www.bankofny.com

Wells Fargo Bank, N.A.
General Manager: Michael Lin
17F, No. 44 Chung Shan N. Rd., Sec. 2 Taipei, Taiwan
Tel: 886-2-8175-8688
Fax: 886-2-2567-8516
http://www.wellsfargo.com

Major Local Correspondent Banks
Bank of Taiwan
Cathay United Bank
Chang Hwa Commercial Bank
China Trust Commercial Bank
Citibank Taiwan Limited
Hua Nan Commercial Bank, Ltd.
Land Bank of Taiwan
Mega Int'l Commercial Bank Co., Ltd.
Shanghai Commercial & Savings Bank
Taishin International Bank
Taiwan Cooperative Bank
The First Commercial Bank

Project Financing

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Taiwan does not rely on money from multilateral institutions to facilitate investment projects. In the public sector, the Taiwan authorities rely heavily on bond issuance to cover the huge outlays connected with construction of major public works. Beginning in 1997, some major public projects were opened to private investment on a build-operate-transfer (BOT) basis. Private investment projects can easily be financed through banks on the island. Moreover, many Taiwan investors, especially large-sized companies, employ financial instruments (including corporate bonds) to raise funds in capital markets, both at home and abroad.

Web Resources

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Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team: http://www.export.gov/tradefinanceguide/index.asp

Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.tda.gov/

SBA's Office of International Trade: http://www.sba.gov/oit/

USDA Commodity Credit Corporation: http://www.fsa.usda.gov/ccc/default.htm

U.S. Agency for International Development: http://www.usaid.gov

Central Bank (Taiwan): http://www.cbc.gov.tw/mp2.html

Financial Supervisory Commission, Executive Yuan: http://www.fsc.gov.tw/en/index.jsp

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Chapter 8: Business Travel

Business Customs

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BUSINESS CARDS --- Formal business introductions in Taiwan are not complete without an exchange of business cards. It is advisable for foreign visitors to have their cards printed in both English and Chinese (using traditional Chinese characters, not simplified). There are numerous printers in Taiwan specializing in printing these indispensable business aids. They offer accurate, low-cost service, with card orders normally being filled within days. Since cards are required on nearly every business occasion, it is a good idea to carry a number of them at all times.

DRESS AND BUSINESS ETIQUETTE --- Taiwan weather is humid throughout the year. Light clothing is recommended during May-October while a jacket and sweater may be needed in the winter season. Outside of the office, dress can be relatively informal on most occasions. For the summer season, businessmen usually wear short-sleeve shirts and ties. However, a suit and tie are advisable for more formal situations.

TIPPING --- In most instances, tipping is not necessary. A ten percent service charge is usually added to restaurant and hotel bills, eliminating the need for gratuities in such situations. It is, however, relatively common to leave the change when a bill is paid. Porters at hotels and airports and hotels customarily receive tips for their services. Approximately NT$50 - NT$100 per item of luggage is acceptable. It is not necessary to tip in taxis unless assistance with luggage is rendered, but most drivers do appreciate being allowed to keep small change.

CURRENCY --- The New Taiwan Dollar (NT$) is the official currency. The one-, five-, ten-, twenty- and fifty-dollar coins, and the one-hundred, two-hundred, five-hundred, one-thousand, and two-thousand dollar notes are legal tender. However, the two-hundred and two-thousand NT$ notes are rarely seen in circulation.

Each foreign visitor can bring up to NT$60,000, RMB$20,000, and US$10,000 into or out of Taiwan, and is required to declare amounts in excess of the above to customs when entering or departing the island. Foreign currency can be exchanged at the airport as well as authorized banks and hotels. As of 2013, there were over 3,300 authorized foreign exchange bank branches around the island.

Internationally recognized credit cards are accepted in many hotels, restaurants, and shops. There are well over 26,500 automated-teller machines around the island that can be found at banks, convenience stores, department stores, and other conveniently locations. Many of them participate in international ATM networks.

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Taiwan has a low level of violent crime, and most streets in Taipei and other cities are generally safe at any hour. While violent crime against foreigners is rare, visitors should be alert for pickpockets and watch their belongings. Taxi drivers, restaurateurs, store clerks, and other service people are normally quite honest and often help non-Chinese speaking foreign guests. The people of Taiwan are generally friendly toward foreigners and often will go out of their way to assist visitors. Traffic conditions present hazards to drivers and pedestrians alike and caution is advised when on roadways. For the latest information about Taiwan travel advisories, visit the State Department Consular Information Sheet for Taiwan at:
http://travel.state.gov/content/passports/english/country/taiwan.html

EMERGENCY TELEPHONE NUMBERS
Fire / Medical: 119
Police: 110
English-Speaking Police: (02) 2556-6007 (24 hours)
English Directory Assistance: 106

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NON-RESIDENTS --- U.S. citizens seeking entry as tourists or visitors are required to present a valid passport that will remain valid for the period of intended stay. You must also possess a confirmed return or onward air ticket. As a U.S. passport holder, you will be allowed to enter Taiwan without a visa for up to 90 days if your passport is valid for more than 90 days beyond the date of arrival. If your passport has fewer than 90 days of validity remaining, you will be able to enter Taiwan for a time equal to the expiration date of your passport. No extensions or changes of status are permitted. Taiwan authorities can deny a visitor entry if they do not have the appropriate travel documents for their onward destination. If you plan to stay longer than 90 days, you should apply for and receive a Taiwan visa prior to arrival in Taiwan. The cost of the visa, including the processing fee, is 160.00 USD. Visit the Taipei Economic and Cultural Representative Office (TECRO)'s website for the most current visa information:

Taipei Economic and Cultural Representative Office (TECRO)
4201 Wisconsin Avenue NW
Washington, DC 20016-2137
Telephone: (202) 895-1800 (Main Number)
Facsimile: (202) 363-0999 (Main Number)
Telephone: (202) 895-1814 (Consular Division)

Facsimile: (202) 895-0017 (Consular Division)

For Emergencies: (202) 669-0180

TECO (Taipei Economic and Cultural Office) also has offices in Atlanta, Boston, Chicago, Guam, Honolulu, Houston, Kansas City, Los Angeles, Miami, New York, San Francisco, and Seattle.

RESIDENTS --- Resident Visas are normally issued if the applicant has a valid work permit or is married to a Taiwan national. When applying for Resident Visas, applicants must submit supporting documents or official letters of approval from a competent authority in Taiwan, together with completed application forms. Normally, foreign nationals submit applications through their domestic Taiwan agents, representatives, or affiliates of their firms. A Resident Visa does NOT automatically convey permission to work in Taiwan. To be eligible to work in Taiwan, a foreigner must possess both a work permit and a Resident Visa. Taiwan residence visas and work permits are managed by the local Bureau of Consular affairs.

For additional details about Taiwan visas, including current fees, please visit http://www.boca.gov.tw.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/visa/

http://www.ait.org.tw/en/visas.html

http://ait.org.tw/en/citizen-services

Telecommunications Return to top

Taiwan's telecommunications system is both efficient and convenient. International calls can be made from private cell phones, public International Direct Dialing (IDD) phones, or hotel IDD phones. Cellular phones are very popular, with many operators offering preferential rates or packages. The Global System for Mobile Communications (GSM) is the standard for cellular phone service. Many networking companies provide broadband Internet services to meet growing domestic demand. Internet cafes can be found in Taiwan’s cities and towns, and most hotels in Taipei have internet access in their bedrooms. Facsimiles are also widely used in Taiwan. The main office of the Chunghwa Telecom Co., LTD. (CHT) provides 24-hour facsimile service. Most major hotels and business service centers offer facsimile and electronic mail services. Many convenience stores, such as 7-Eleven, also provide facsimile services. According to the International Telecommunications Union, over seventy percent of the Taiwan population has access to the internet.   In addition, fiber optic DSL connections are readily available in major cities with service up to 100/10 MB per second.

Transportation

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AIR TRAVEL --- Taiwan has two major international airports: Taoyuan Airport in the north (about 40km from Taipei City) and Hsiaokang Airport in the south (in Kaohsiung City). Taoyuan Airport is the primary gateway to the island. The Kaohsiung airport offers regular flights to major destinations in the region. Taipei Song Shan Airport currently offers direct flights, including to and from major cities in mainland China and Haneda in Japan. There are also several domestic airports and domestic airlines that provide fast and convenient connecting flights between Taiwan's larger cities as well as outlying islands.

AIRPORT PICKUP --- It generally takes about one hour to travel from the Taoyuan airport to Taipei City. Airport buses to Taipei depart from the airport every 20 minutes and tickets cost up to NT$150 (approximately US$4.25) per person. Four bus companies currently provide the service to and from Taipei. Buses from the airport to Hsinchu, Taichung, Changhua, Tainan, and Kaohsiung are also available.

Taxis are available at the airport. A 15 percent surcharge is added to the meter fare for airport pickup (highway tolls not included). The total cost of a taxi ride from the airport to Taipei is about NT$1,100-1,400 (US$37-$47), depending on the destination. Many large hotels offer car or shuttle services from the airport to Taipei. It is, however, necessary to arrange such services in advance when making hotel reservations.

The Hsiaokang Airport is close to the city of Kaohsiung, and it usually takes about 20 minutes to reach downtown and costs about NT$300 (US$10). Metered taxis charge a NT$50 surcharge from the international terminal and there is a NT$10 surcharge for luggage service. Several bus services are available at a low cost as well.

TAXIS --- Taxis are widely available in Taipei and other major cities. For most cities, a meter is used to calculate the fare. The basic charge is NT$75 (about US$2.5) for the first 1.25 kilometers, with an additional NT$5 for every additional 250 meters. In addition, there is an NT$5 charge for every 100 seconds for waiting, and a NT$20 nighttime surcharge is added to fares between 11:00 pm and 6:00 am. Taxi services can also be booked over the telephone. These services are generally considered safer and more reliable than individual taxis.

There is a surcharge of NT$20 during the day (NT$40 at night) in effect for the two days before the eve of the Chinese New Year until the end of the holiday period. While some taxi drivers speak a little English, visitors are strongly advised to present taxi drivers with the address of their desired destination written in traditional Chinese.

RAIL --- Taipei has eleven Mass Rapid Transit (MRT) lines in operation with a combined track length of 121.3 kilometers. The MRT lines form a transportation network connecting downtown Taipei with the suburban areas of Muzha, Danshui, Xindian, Tucheng, and Nangang, Banqiao, Luzhou, and Xinzhuang. Kaohsiung has two MRT lines in operation going north-south and east-west respectively.

The Taiwan Railway Administration operates an extensive rail network that is more than 1,000 kilometers in length. Tickets can be conveniently purchased through ticketing kiosks or ordered over the phone or on the Internet.

The Taiwan High Speed Rail (THSR) began operations on January 5, 2007. It uses Japan's Shinkansen technology and runs approximately 355 kilometers from north to south. The THSR takes only 96 minutes to travel from Taipei to Kaohsiung, as opposed to 4.5 hours by conventional rail. The one-way fare for Taipei-Kaohsiung is around NT$1,630 (US$55.3). Currently eight stations are in operation on the THSR line along Taiwan's western corridor: Taipei, Banchiao, Taoyuan, Hsinchu, Taichung, Chiayi, Tainan, and Zuoying (Kaohsiung).

BUSES --- Bus services in major cities are extensive and inexpensive, but can be incomprehensible to foreign visitors. Long-distance bus networks around the island also make it possible for people to travel virtually anywhere on the island quickly, comfortably, and at reasonable cost.

CAR RENTAL --- Limousines with drivers may be booked through hotels or car rental companies for about NT$9,000 (US$290) per eight-hour day. Self-drive rental cars are also available at rates that start at around NT$2,000 (US$67) a day. An international driver's license is required, as well as a credit card for a deposit.

Language Return to top

Mandarin is the official language. The Taiwan dialect is also commonly spoken, especially in the southern and rural areas. English is by far the most popular foreign language, and large numbers of people speak it fluently. In particular, those working in hotels, business, or public organizations are likely to have a good command of the language. Moreover, many elderly people, especially those educated before the Second World War, can also speak Japanese.

Health Return to top

As is true of many other tropical and sub-tropical areas, tap water in Taiwan should be boiled before drinking, although water quality is certainly improving in the major cities. Hotels and restaurants provide drinking water, and bottled mineral water is widely available. Visitors should also take special care to wash all fruits and vegetables before eating and to avoid eating in any of the island's countless street stalls, for at least the first few weeks.

There are several international-standard private and public hospitals and clinics. Taiwan also offers high-quality dental care, with most clinics being privately operated. The majority of doctors and dentists in Taiwan speak English well. Qualified foreign nationals with Alien Resident Certificates (ARCs) and their family members can apply for coverage under the National Health Insurance Program (NHIP). International visitors do not qualify for local health insurance. Therefore, if travelling to Taiwan, be sure to have your own health insurance that covers healthcare services in Taiwan.

Many Western brand-name pharmaceuticals are sold in Taiwan, often without prescription. In addition, a wide range of foreign and domestic over-the-counter nonprescription drugs are available. Visitors should, however, bring a sufficient supply of any specific medications that they might require. Emergency medical treatment can be obtained by dialing 119.

Local Time, Business Hours, and Holidays

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LOCAL TIME --- Taiwan is eight hours ahead of Greenwich Mean Time and 12 or 13 hours ahead of the U.S. Eastern Standard Time depending on the time of year, because Taiwan does not practice daylight savings time.

BUSINESS HOURS --- In general, business hours are 9:00 am to 5:30 pm for office workers and 8:00 am to 5:00 pm for factory workers, with a one-hour lunch break. Banks are open from 9:00 am to 3:30 pm without a lunch break. Most shops and retail stores are open daily from 11:00 am to 10:00 pm. Restaurants generally run from 11:00 am to 10:00 pm.

HOLIDAYS --- There are four major national holidays and four major festivals celebrated in Taiwan during which corporate and government offices are closed. Dates for the four festivals – Chinese Lunar New Year, Tomb-Sweeping Festival, Dragon Boat Festival, and Mid-Autumn Festival – are based on the lunar calendar and may vary each year.

Holidays	**Dates in 2015**
New Year's Day	January 1
Chinese Lunar New Year	February 18-23
Peace Memorial Day	February 27-28
Children's Day	April 3-4
Tomb-Sweeping Day	April 5-6
Dragon Boat Festival	June 19-20
Mid-Autumn (Moon) Festival	September 27-28
Double Tenth/National Day	October 9-10

Temporary Entry of Materials and Personal Belongings

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Personal belongings and household articles (excluding controlled or restricted articles) carried by inbound passengers may be granted duty exemption as follows:

- Each person, 20 or over in age, may bring in alcoholic beverages (1,000 cc or less without limitation on the number of bottles), plus 200 cigarettes, or 25 cigars or one pound of tobacco.
- Articles that are already owned and used by the passenger abroad, and their customs value does not exceed NT$10,000 (about US$330) for each piece.
- Other articles for personal use (not including the articles mentioned above) if their total customs value does not exceed NT$20,000 (about US$665) for each passenger.

Samples carried by inbound passengers may be granted duty exemption if the total customs value does not exceed NT$12,000 (about US$400). Duty, commodity tax and value added tax will be imposed on articles imported in excess of the exemption limit.

More information is available at the website:
http://eweb.customs.gov.tw/ct.asp?xItem=15227&ctNode=6485

Taiwan uses electric current of 110 volts at 60 cycles, the same as in the United States. Appliances from Europe, Australia or South-East Asia will need an adaptor and/or transformer.   Some buildings have outlets with 220 volts especially for the use of air conditioners.

Web Resources

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The Taiwan Tourism Bureau has a wealth of information about traveling in Taiwan on its website at: http://taiwan.net.tw/

For the latest information about Taiwan travel advisories, visit the State Department Consular Information Sheet for Taiwan at:
http://travel.state.gov/content/passports/english/country/taiwan.html

Business travelers to Taiwan seeking appointments with the Commercial Section of the American Institute in Taiwan should contact the office in advance. The Commercial Section can be reached by telephone at 886-2-2720-1550, fax at 886-2-2757-7162, or by e-mail at office.taipei@trade.gov

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Chapter 9: Contacts, Market Research and Trade Events

Contacts Return to top

American Institute in Taiwan (AIT)

Commercial Section
Chief: Ireas Cook
Suite 3207, No. 333 Keelung Rd., Sec. 1, Taipei, Taiwan
Tel: 886-2-2720-1550 ext. 382
Fax: 886-2-2757-7162
Website: http://export.gov/taiwan

Agriculture Trade Office
Director: Mark Ford
Suite 704, No. 136 Jenai Rd., Sec. 3, Taipei, Taiwan
Tel: 886-2-2705-6536 ext. 287
Fax: 886-2-2706-4885
Website: http://www.ait.org.tw

Agriculture Section
Chief: Garth Thorburn
No. 7, Lane 134, Hsinyi Rd., Sec. 3, Taipei, Taiwan
Tel: 886-2-2162-2000 ext. 2317
Fax: 886-2-2162-2238
Website: http://www.ait.org.tw

Economic Section
Chief: Joshua Cartin
No. 7, Lane 134, Hsinyi Rd., Sec. 3, Taipei, Taiwan
Tel: 886-2-2162-2000 ext. 2374
Fax: 886-2-2162-2240
Website: http://www.ait.org.tw

Washington, D.C.-Based Country Contacts

U.S. Department of Commerce
Trade Information Center
1401 Constitution Ave., NW, Washington, D.C. 20230
Tel: 1-800-USA-TRADE
Fax: 202-482-4473
Website: http://export.gov

AIT/Washington
Trade and Commercial Programs
Director: Rick Ruzicka
Suite 1700, 1700 N. Moore Street
Arlington, VA 22209
Tel: 703-525-8474; Fax: 703-841-1385
Website: http://www.ait.org.tw/en/ait-washington.html

U.S. Department of Commerce
US & Foreign Commercial Service, East/Asia Pacific
Office Director: Laurie Farris
Room 3009, 14th and Constitution Ave. NW, Washington, D.C. 20230
Tel: 202-482-0423; Fax: 202-501-6165
Website: http://export.gov

U.S. Department of Commerce
International Trade Administration
Market Access and Compliance
Desk Officers: Simon Kim and Darla Brown
Room 2328
14th and Constitution Ave. NW, Washington, D.C. 20230
Tel: 202-482-2611
Website: http://trade.gov/mac/

U.S. Department of Agriculture
Foreign Agricultural Service (FAS)
Office of Trade Program
South Building, 1400 Independence Ave. SW, Washington, D.C. 20250
Tel: 202-690-3576
Website: http://www.usda.gov

Trade or Industry Associations

American Chamber of Commerce in Taipei
President: Andrea Wu
Suite 706, No. 129 Minsheng E. Road, Sec. 3, Taipei, Taiwan
Tel: 886-2-2718-8226
Fax: 886-2-2718-8182
Website: http://www.amcham.com.tw

Importers and Exporters Association of Taipei
Chairman: John C.T. Huang
No. 350 Sungchiang Rd., Taipei, Taiwan
Tel: 886-2-2581-3521
Fax: 886-2-2523-8782
Website: http://www.ieatpe.org.tw

Chinese National Association of Industry & Commerce
Chairman: Por-Fong Lin
13F, No. 390 Fuxing S. Rd., Sec. 1, Taipei, Taiwan
Tel: 886-2-2707-0111
Fax: 886-2-2707-0977
Website: http://www.cnaic.org

US-Taiwan Business Council
President: Paul D. Wolfowitz
Suite 1703, 1700 North Moore Street
Arlington, Virginia 22209
Tel: 703-465-2930; Fax: 703-465-2937
Website: http://www.us-taiwan.org

Taiwan External Trade Development Council (TAITRA)
Chairman: Francis Kuo-Hsin Liang
5-7F, No. 333 Keelung Rd., Sec. 1, Taipei, Taiwan
Tel: 886-2-2725-5200
Fax: 886-2-2757-6652
Website: http://www.taitra.org.tw

Chinese National Federation of Industries
Chairman: Hsu, Sheng-hsiung
12F, No. 390 Fuxing S. Rd., Sec. 1, Taipei, Taiwan
Tel: 886-2-2703-3500
Fax: 886-2-2705-8317
Website: http://www.cnfi.org.tw

Taiwan Agencies

Ministry of Economic Affairs (MOEA)
Minister: John Chen-Chung Deng
No. 15 Fuzhou St., Taipei, Taiwan
Tel: 886-2-2321-2200
Fax: 886-2-2391-9398
Website: http://www.moea.gov.tw

Ministry of Finance (MOF)
Minister: Chang, Sheng-ford
No. 2 Aiguo W. Rd., Taipei, Taiwan
Tel: 886-2-2322-8000
Fax: 886-2-2356-8774
Website: http://www.mof.gov.tw

Board of Foreign Trade (BOFT), MOEA
Director General: Jen-Ni Yang
No. 1 Hukou St., Taipei, Taiwan
Tel: 886-2-2321-0271
Fax: 886-2-2351-7080
Website: http://www.trade.gov.tw

Financial Supervisory Commission (FSC)
Chairman: Tseng, Ming-chung
18F, No. 7 Sianmin Blvd., Sec. 2, Banciao City, Taipei County, Taiwan
Tel: 886-2-8968-0899
Fax: 886-2-8968-1215
Website: http://www.fsc.gov.tw

Ministry of Transportation and Communications (MOTC)
Minister: Chen Jian-Yu
No. 50, Renai Rd., Sec. 1, Taipei, Taiwan
Tel: 886-2-2349-2900
Fax: 886-2-2349-2491
Website: http://www.motc.gov.tw

Council of Agriculture (COA)
Minister: Chen, Bao-ji
No. 37 Nanhai Rd., Taipei, Taiwan
Tel: 886-2-2381-2991
Fax: 886-2-2331-0341
Website: http://www.coa.gov.tw/

Ministry of Health and Welfare (MOHW)
Minister: Chiang Been-huang, Ph.D.
No. 36 Tacheng St., Taipei, Taiwan
Tel: 886-2-8590-6666
Fax: 886-2-8590-6051
Website: http://www.mohw.gov.tw/EN/Ministry/

Environmental Protection Administration (EPA)
Minister: Wei Kuo-yen
No. 83 Zhonghua Rd., Sec. 1, Taipei, Taiwan
Tel: 886-2-2311-7722
Fax: 886-2-2311-6071
Website: http://www.epa.gov.tw

Bureau of Standards, Metrology and Inspection (BSMI), MOEA
Director General: Liu, Ming-chung
No. 4 Jinan Rd., Sec. 1, Taipei, Taiwan
Tel: 886-2-2343-1700
Fax: 886-2-2356-0998
Website: http://www.bsmi.gov.tw

Small & Medium Enterprise Administration, MOEA
Director General: Yeh, Yun-lung
3F, No 95 Roosevelt Rd., Sec. 2, Taipei Taiwan
Tel: 886-2-2366-2200
Fax: 886-2-2367-3896
Website: http://www.moeasmea.gov.tw

Other U.S. Government Contacts

U.S. Department of State
Bureau of Economic and Business Affairs
Office of Commercial and Business Affairs
2201 C Street NW
Washington, D.C. 20520
Tel: 202-647-4000
Fax: 202-647-3953
Website: http://www.state.gov

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Tel: 202-565-3910
Fax: 202-565-3930
Website: www.exim.gov

Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, D.C. 20527
Tel: 202-336-8400
Fax: 202-336-7949
Website: http://www.opic.gov

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

http://www.export.gov/tradeevents/index.asp

http://export.gov/taiwan/latesttradeevents/index.asp

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Chapter 10: Guide to Our Services

SelectUSA:

SelectUSA was created by President Obama in June 2011 through Executive Order 13577, as the U.S. government-wide program to promote and facilitate business investment into the United States, including foreign direct investment (FDI) and reshoring.

The program is housed within the Commerce Department and coordinates investment-related resources across more than 20 federal agencies through the Interagency Investment Working Group (IIWG).

SelectUSA provides services to two types of clients: investors and U.S. economic development organizations at the state and local level. Services include:

Information Assistance:

- SelectUSA provides information to investors on the benefits of establishing operations in the United States, as well as the information needed to move investments forward. Investors can access facts, data and local contacts for the U.S. market.
- SelectUSA also works closely with state, local and regional economic developers to provide counseling on strategy, best practices, and on-the-ground intelligence from the Foreign Commercial Service network across more than 70 foreign markets.

Ombudsman Services: SelectUSA coordinates federal agencies to address investor concerns relating to a wide range of federal regulatory issues – helping them to navigate an unfamiliar system.

Investment Advocacy: U.S. state and local governments often find themselves competing with a foreign location for a project. SelectUSA can coordinate senior U.S. government officials to advocate to the investor to bring those jobs to the United States.

Promotional Platform: SelectUSA brings the power of the “USA” brand to high-profile events, such as the upcoming 2015 Investment Summit, to attract investors to learn about our nation’s investment opportunities. SelectUSA organizes international Road Shows and missions to trade fairs, while also offering tailored on-the-ground assistance in more than 70 markets.

Note: SelectUSA exercises strict geographic neutrality, and represents the entire United States. The program does not promote one U.S. location over another U.S. location.

For more information on SelectUSA and services provided for investors and economic development organizations please click on the following link:
http://selectusa.commerce.gov/

National Export Initiative:

The President's National Export Initiative/NEXT marshals Federal agencies to provide customer service-driven services and actionable information resources that ensure American businesses are able to capitalize on expanded opportunities to sell their goods and services abroad.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: www.buyusa.gov/taiwan

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact **(800) USA-TRAD(E).**

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